Daily Report

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UNHCR 'May Reconsider' Aid Suspension

LD1902113593 Bern Swiss Radio International in English 1100 GMT 19 Feb 93

[Text] The United Nations says it may reconsider its decision to suspend relief operations in Bosnia-Hercegovina. A spokeswoman for the UN High Commissioner for Refugees [UNHCR] said in Geneva that the situation could be reassessed if a UN convoy was allowed into the city of Gorazde, where tens of thousands of Muslims are trapped. She said a Bosnian Government decision to end its embargo on aid deliveries to Sarajevo would also be taken as a positive sign.

The UN Secretary-General Butrus Butrus-Ghali has reportedly sent a letter to the head of the UNHCR, Sadako Ogata, urging her to restart supplies as quickly as possible. Mrs. Ogata ordered the suspension of operations on Wednesday [17 February] to draw attention to the interference of the warring factions of the organization's work.

Butrus-Ghali Asks UNHCR To Resume Relief

LD1902113493 Belgrade TANJUG in English 0826 GMT 19 Feb 93

[Text] Belgrade, Feb 19 (TANJUG)—U.N. Secretary-General Butrus Butrus-Ghali has asked the U.N. High Commissioner for Refugees (UNHCR), Mrs. Sadako Ogata, to immediately resume the relief operation in war-wracked Bosnia-Hercegovina, the U.N. Security Council president for February, Moroccan Ambassador Ahmed Senoussi, said on Thursday [18 February].

Butrus-Ghali asked the UNHCR to reconsider suspending the aid distribution operation to some parts of that former Yugoslav republic, writes REUTERS.

Sadako Ogata said in Nairobi on Wednesday she had taken the decision because of the warring sides' obstructing the operation and using it for political purposes.

The U.N. Security Council on Wednesday condemned all sides to the Bosnian conflict for hampering the distribution of food and medicine to the civilians.

Lord Owen Hoping for Resumption of Aid

LD1802181893 Belgrade TANJUG in English 1726 GMT 18 Feb 93

["Pool" item]

[Text] Belgrade, February 18 (TANJUG)—Cochairman of the conference on the former Yugoslavia Lord Owen on Thursday said he could understand United Nations High Commissioner for Refugees (UNHCR) Sadako Ogata's decision to suspend humanitarian activities in Bosnia-Hercegovina, but expressed his wish that the delivering of aid should resume as soon as possible.

All parties to the conflict in Bosnia are fighting for territories and using U.N. aid as a weapon, Lord Owen told BBC. This is why Ogata had the impression that humanitarian organizations were being manipulated and lost patience, he said and added that the warring sides should guarantee the delivery of aid to the most needy.

The present suspension of aid delivery proves that a comprehensive solution ought to be reached as soon as possible. Partial agreements and solutions are worthless. What we need first is a comprehensive agreement and then the possibility to put it into effect, Lord Owen said and added that the sooner the public realized the necessity of returning to negotiations, the better.

In his interview to BBC monitored in Belgrade, Lord Owen said that Cyrus Vance and himself believed a comprehensive solution could be reached in ten days or so if they managed to make all the involved sides aware of how dramatic the problem was.

Butrus-Ghali Rejects Balkan Military Intervention

LD1802173993 Belgrade TANJUG in English 1702 GMT 18 Feb 93

["Pool" item]

[Text] Tokyo, Feb 18 (TANJUG)—U.N. Secretary General Butrus Butrus-Ghali stated on Thursday [18 February] that the former Yugoslavia was a case much too difficult for someone in the United Nations to decide to intervene in it militarily.

Who would dare send hundreds of thousands troops to Yugoslavia and who would pay for such a costly operation, Butrus-Ghali wondered at a news conference in Tokyo when asked by an American newsman why the U.N. was sending forces to Somalia rather than intervening in Bosnia.

He explained the U.N. Security Council was a political body serving the interests of its members, all of them having been undecided as regards Bosnia-Hercegovina. Some hesitated for political reasons, he said, others for financial reasons, still others for fears of their men. Sending troops to Somalia, not to Yugoslavia, was the United Nations' lower-risk choice, explained Butrus-Ghali.

Butrus-Ghali ranked the former Yugoslavia, in particular Bosnia-Hercegovina, among the world's most burning problems. He evaded a direct answer to TANJUG's question about Croatia's assault on the U.N.-protected Republic of Serb Krajina (RSK), saying that the maintenance of neutrality was the most difficult question that faces the U.N. in conflicts like this.

He conceded that the U.S. has so far had very great influence on the U.N., but, he added, an increased participation of other countries would simultaneously reduce the influence of Washington. It is a concern of

member countries that the U.N. should be strong, so some countries would give up wanting to police the world, said Butrus-Ghali.

As for the desire of Japan, Germany and some other countries to become permanent members of the U.N. Security Council, to meet it would require amending the U.N. Charter, a process too long and intricate, he said.

Croats, Krajina Want UNPROFOR Mandate Renewed

LD1802225493 Belgrade TANJUG in English 2239 GMT 18 Feb 93

["Pool" item]

[Text] New York, February 18 (TANJUG)—Both the Croatian authorities and the Republic of Serb Krajina (R.S.K.) wanted the U.N. troops' (UNPROFOR) mandate renewed and a ceasefire effected, said Thursday [18 February] spokesman for the two cochairmen of the Geneva conference on former Yugoslavia Fred Eckhard.

The two chairmen—Cyrus Vance and David Owen—conferred with the R.S.K. delegation over the past two days and with the Croatian delegation on Thursday.

The New York talks were devoted to finding a solution for the R.S.K., a territory predominantly inhabited by Serbs.

The R.S.K., a U.N.-Protected Area, was under a continual offensive by the forces of the breakaway Yugoslav Republic of Croatia since January 22.

The talks with the Croatian delegation, headed by Defense Minister Gojko Susak, were being held with Gert Arens and Herbert Okun, on behalf of Vance and Owen.

Eckhard said the talks with the Croatian delegation for the most part focused on the commitments springing from the U.N. security 802 Resolution, demanding withdrawal of the Croatian Army to the positions it held prior to the offensive.

The return of Serb "heavy artillery" under U.N. control was also discussed. These weapons were taken by the Krajina Serbs to defend themselves from Croatian aggression.

Eckhard stated the hope that the U.N. Security Council would, Thursday or Friday, adopt a decision prolonging the U.N.-peace force mandate through March 31, as a transitional solution.

He announced the talks with the R.S.K. and the Croatian delegations would continue in the same manner as has been done thus far—separately, until conditions were created for them to sit at the same table.

Tripartite Talks Open on FRY Embargo Enforcement

AU1802152493 Bucharest ROMPRES in English 1451 GMT 18 Feb 93

[Text] Bucharest ROMPRES, 18/2/1993—Thursday, February 18 consultations began in Bucharest between experts of the Foreign Ministries of Romania, Bulgaria and Ukraine on matters related to observance of the UN Security Council's sanctions against the Yugoslav Federation—Serbia and Montenegro.

Participating in the consultations are specialists from the customs, transports and border guards authorities of the three countries, as well as representatives of the EEC-CSCE assistance missions for the sanctions' implementation.

The meeting will occasion an exchange of opinions on the events under way and on the cooperation between the three countries towards strictly enforcing the sanctions.

There are also discussions on the joint measures to diminish the negative economic impact of the sanctions and to promote the three sides' legitimate right to receive compensation, according to the UN Charter.

UN Obligations Stressed

AU1902085193 Bucharest Radio Romania Network in Romanian 2000 GMT 18 Feb 93

[Text] During the news conference that followed the three-party consultative talks among Romanian, Bulgarian, and Ukrainian experts, Christian Ulrik Helweg-Larsen, Denmark's ambassador to Bucharest, the head of the [EC and CSCE] assistance missions in the three countries, assessed that one of the paragraphs of the adopted memorandum is exceptionally important. The paragraph says: The parties took note of the reference contained in the 10 February 1993 statement of the UN Security Council president, recalling that, according to Article 103 of the UN Charter, the obligations of the UN member states prevail over their obligations stemming from any other international agreements.

Further on Talks

AU1802213093 Bucharest ROMPRES in English 1957 GMT 18 Feb 93

[Text] Bucharest ROMPRES, 18/2/1993—Thursday, 18 February, Romania, Bulgaria, and Ukraine's Foreign Ministries held consultations in Bucharest on enforcement by them as countries bordering the River Danube, of the sanctions instated by the UN Security Council against Yugoslavia (Serbia and Montenegro).

The consultations also involved the three countries' customs, transport, and frontier guard experts, as well as representatives of the EEC and CSCE missions assisting sanction observation (SAM).

The consultations ended with the adoption of a memorandum showing that the meeting occasioned a comprehensive exchange of opinions on the enforcement of sanctions on the Danube. The parties, the memorandum says, assess the sanctions as a component part of the international effort to peacefully settle the crisis in former Yugoslavia, and that their strict observance by all countries will contribute to solving the crisis soon. The ministries of foreign affairs of the three countries will continue to render their support to their competent national bodies for the application of the sanctions on the Danube and these, in their turn, will cooperate for enhanced efficiency of the steps taken. They shall actively collaborate with the EEC-CSCE missions assisting sanction enforcement.

The three countries reiterated their determination to act in compliance with the provisions of UN Security Council Resolutions 757 and 787, and with the guidelines for their application.

The sides expressed the hope that their request for immediate technical assistance would be granted, for the improvement of the technical endowment of their relevant national bodies.

It was agreed that Romania, Bulgaria, and Ukraine would make joint efforts in requesting a more substantive assistance from the UN, enabling Danube countries to carry out the provisions of the Security Council resolutions.

The sides pointed out the considerable damage they sustained as a consequence of the sanctions against Yugoslavia and expressed their wish to approach the Security Council, the special UN Committee for the UN Charter, and the enhancement of the organization's role, with the aim of finding the best ways to ease the serious economic difficulties generated by the enforcement of the UN Security Council Resolutions 757 and 787.

The three parties agreed that the memorandum adopted be conveyed to the UN Security Council.

After consultations, the heads of the participating delegations viewed, in their statements for the press, the results of the meeting as particularly fruitful and assessed that the strict observance of the embargo instated by the UN Security Council against Yugoslavia was one of the main ways apt to contribute to solving by diplomatic means the conflict in the former Yugoslav republics.

Sides Adopt Memorandum

AU1802193693 Bucharest Radio Romania Network in Romanian 1800 GMT 18 Feb 93

[Text] The tripartite consultative talks among Romanian, Bulgarian, and Ukrainian experts on the enforcement of the UN sanctions against Yugoslavia have concluded in Bucharest with the adoption of a memorandum with respect to the application of those sanctions on the Danube.

The consultative talks were attended by experts of the foreign ministries of the three countries, by experts from the departments of customs, transportation, and border guards, and by representatives of the EEC and CSCE missions sent to offer assistance for the appliance of the UN sanctions.

The three parties agreed that the memorandum on the consultative talks of the Romanian, Bulgarian, and Ukrainian Foreign Ministries should be remitted to the UN Security Council.

According to our reporter, the parties agreed that the foreign ministries of the three countries should continue to lend support to the appropriate national bodies charged with the enforcement of the embargo on the Danube and that they should closely cooperate in order to increase the efficiency of the measures taken. The three foreign ministries are to engage in active cooperation with the EEC and CSCE assistance missions and they salute the appointment of the coordinating official of those missions.

The parties expressed their hope that they will soon be offered the technical assistance they had requested according to Paragraph 15 of UN Security Council Resolution 787.

The parties also agreed that Romania, Bulgarian, and Ukraine should make joint efforts to obtain a more substantial support from the UN in order to enable their authorities to improve the implementation of the sanctions on the Danube.

Romanian Ambassador Addresses Rights Commission

AU1802174093 Bucharest ROMPRES in English 1527 GMT 18 Feb 93

[Text] Geneva ROMPRES, 18/02/1993—In his address at the current session of the Human Rights Commission in Geneva, Romania's representative in the commission, Ambassador Romulus Neagu expressed the Romanian Government's conviction that the preferable solution to the concrete implementation of the provisions of the Declaration on the Minorities' Rights was a more efficient use of the already existing international mechanisms rather than the creation and testing of new structures and organisms.

The Romanian representative assessed that adopting and implementing the declaration could be an important step towards the consolidation of protection for persons belonging to minorities and discouraging extremist tendencies which can only have a negative effect on the states' internal and external stability.

He also pointed out the importance of an agreement on widely accepted solutions in the matter of minorities for the overcoming of the stage of sterile and purely theoretical discussions. Those solutions would also be as many supplementary arguments to counteract anachronistic pretensions to rebuild empires and privileges invalidated by history.

In that context Romulus Neagu presented Romania's national experience in the field of human rights protection for the persons belonging to [ethnic] minorities and in the field of upholding their linguistic, cultural, and religious identity, by reviewing both the legislative framework and the real situation.

The Romanian representative pointed out that the loyalty of persons belonging to minorities towards the states they live in was of great importance.

Turkish President Ozal Arrives for Official Visit

Welcomed by Berisha, Meksi

AU1802213993 Tirana Radio Tirana Network in Albanian 1830 GMT 18 Feb 93

[Report by Zamira Koleci]

[Text] President of the Republic of Turkey Turgut Ozal arrived in Tirana this afternoon at the invitation of President Sali Berisha and in continuation of an important tour in the Balkan countries.

During their three days in the Albanian capital, the delegation led by the Turkish president will meet with the most high-level officials of the country.

The Turkish delegation consists of members of the parliament and government, mass media, reporters, and cameramen who are accompanying the Turkish president on his Balkan tour.

Turgut Ozal was welcomed at Rinas airport by his Albanian counterpart, Sali Berisha.

[Begin Berisha recording, in English] I am very happy and [word indistinct] very honored to meet you. [end recording]

I am very happy and honored to meet you today. I also want to thank you for all your efforts that my country has benefitted from, Berisha told his Turkish colleague. He later assessed his visit to be very important.

During the reception ceremony, the national anthems of both countries were played. Presidents Ozal and Berisha reviewed the honor guards.

Ozal later met with high-level representatives of the Albanian parliament, government, and the diplomatic corps accredited in Tirana. Berisha and he cordially met with a group of Albanian pupils from a Turkish college that has just started its teaching activity in our capital.

President Ozal is scheduled to hold talks with President Berisha and Prime Minister Aleksander Meksi this afternoon.

President Ozal held his first meeting with Albanian Prime Minister Aleksander Meksi. In the meeting, both assessed the talks held recently to be very important for Turkish-Albanian cooperation.

Prime Minister Meksi stressed his government's commitment to successfully carry out reform in all fields, especially in the economy. He briefed the Turkish president on the support that the democratic government has found among the people, especially in carrying out the reform. Meksi informed him about the steps being taken regarding the liberalization of prices and privatization and Albania's opportunities for quicker development in the future. He assessed the aid in food, raw materials, and investments by mentioning, in particular, those of the United States and the EC, and meanwhile thanked Ozal for all Turkey's help. Meksi said that it is important to put into motion the Turkish credit so as to better use it for investments, by further stressing the importance of cooperation with Turkey, especially in tourism, road construction, and food industry.

According to the Council of Minister's spokesman, President Ozal expressed interest in several fields concerning the development of economy, economic reform, oil and other ores, the democratic government's efforts in developing these fields, and especially the situation in agriculture. He suggested that the Meksi cabinet should give priority to the development of infrastructure, telecommunication, tourism, and airports because if these are developed, private initiative will be increased and more foreign capital will enter the country. He assessed our country's geographical position and the need to open up to the world so as to absorb its development.

Ozal stressed that the most important thing for Albania to march forward is stability, especially in the region. Regarding this, it is very important for the country to maintain relations as much as possible with the European countries. He expressed Turkey's readiness to help in all fields. He said that this is the goal of the arrival of this large delegation. The specialists of both countries will find many fields and points of cooperation, such as tourism, small business, and communication.

The meeting of President Berisha and Turkish President Ozal is begin held now.

Holds Talks With Berisha

AU1902082993 Tirana Radio Tirana Network in Albanian 2100 GMT 18 Feb 93

[Report by Zamira Koleci]

[Text] Before the Albanian delegation led by President Sali Berisha and the Turkish delegation led by President Turgut Ozal held talks, the highest representatives of Turkey and Albania held a special one-on-one meeting that lasted one hour.

The talks started later. President Berisha stressed his pleasure at Turgut Ozal's visit to Tirana and expressed his conviction that the visit will help to further develop the friendly relations that exist between the two countries. Berisha said that our friendship is based on ties of blood and the principles of democratic states. He conveyed his gratitude and that of all Albanians for the invaluable aid the Turkish Government and people have granted to the Albanian people at such a difficult period. This has helped to bring the two countries even closer together and has created conditions for greater cooperation.

Later President Berisha explained the economic reform that is being carried out in our country, and stressed the need for foreign investment. He stressed the opportunity to establish naval and air connections, and further develop the relations of the two countries in the civil

field and in education, such as the bilateral exchange of students. He stressed the need to cooperate in other fields, too, and asked the Turkish president to facilitate the granting of visas to Albanian citizens, especially businessmen. He continued by saying that this cooperation will serve stability in the region and should be strengthened.

Later Berisha briefed President Ozal on the situation in the region. He stressed that [Serbian President] Milosevic is the cause of this situation and that, after the Bosnians, Albanians are the most threatened. The problem of Kosovo should not be considered simply as an Albanian issue, but a broader one. The crisis in the region started in Kosovo and that is where its essence lies.

In closing, Berisha stressed that the reduction of tension in the southern Balkans is of a great importance. The signs of a solution between Macedonia and Greece are encouraging. A peaceful southern Balkans will have a positive influence on the conflict.

For his part, the Turkish president once again stressed the old relations between Albanians and Turks and the duty to strengthen them in this period of democracy. He underlined the need to expand and enhance the cooperation in education, the army, industry, mines, etc.

Regarding the problem of Kosovo and Macedonia, he was of the same opinion as President Berisha. The Kosovo issue is the mother of all problems. Its solution is very difficult. The world is obliged to adopt a serious decision on this question. Mr. Ozal expressed the importance of the recognition and stability of Macedonia for the stability of the situation in the region. Finally, he stressed that we should continue our consultations and coordinate our actions. We will always be close to you and be ready to grant greater aid to our Albanian brothers, he said.

Talks will continue tomorrow afternoon.

Berisha, Government Members Receive EBRD Mission

AU1702152393 Tirana ATA in English 0915 GMT 17 Feb 93

[Text] Tirana, February 17 (ATA)—A mission of the European Bank for Reconstruction and Development headed by the deputy president of this bank, Mr. Sarcinelli, arrived yesterday in Tirana.

On the same day this mission had separate meetings with the President of the Republic Sali Berisha, the Chairman of the Council of Ministers Aleksander Meksi, the Minister of Finances and Economy Genc Ruli, the Governor of the Bank Ilir Hoti, and the Minister of Foreign Trade and Economic Cooperation Mr. Artan Hoxha.

In these meetings they discussed on the strategy of the European Bank for 1993-1994 in the key sectors of the Albanian economy. It aims to support the economic reform in its first steps, to recover the Albanian economy through the modernization of infrastructure, institutions, and the improvement of legislation as a premise for direct foreign investments.

The aid of the European Bank will mainly focus on the sector of telecommunication and energy, as a source of potential income in foreign currency. It will finance projects which aim to stimulate privatization in key sector of chrome, oil, and tourism.

Alongside technical assistance for the efficient functioning of the local banks, the European Bank is also seeing to the possibility of creating a credit line to support small and medium enterprises.

This project will be approved in a near meeting of the governors' board of this bank to be held in London. The meeting will also be attended by the minister of foreign trade and economic cooperation.

Parliament President Returns From United States

AU1702152593 Tirana ATA in English 0923 GMT 17 Feb 93

[Text] Tirana, February 17 (ATA)—After a successful two week visit to the U.S.A., the Chairman of the Presidency of the People's Assembly Pjeter Arbnori returned home. Present at the airport were the Vice Chairman of the Presidency of the People's Assembly Tomor Malasi and the U.S. ambassador to Tirana, William Ryerson.

In the interview Mr. Arbnori had in one of the halls of the airport, he gave of his impressions from this visit, the meeting he had with President Clinton and other American personalities, businessmen, and with the Albanian diaspora. He said that the American Democratic Administration and the Albanians of the United States of America support the democratic processes and the economic reform in Albania.

In the numerous meetings with the Albanians in Boston, Detroit, Chicago, New York, and elsewhere the Albanians voiced their love for the homeland and the readiness to support the democratic processes in Albania.

Finance Minister Meets IMF Officials

AU1802214493 Sofia BTA in English 2046 GMT 18 Feb 93

[Text] Sofia, February 18 (BTA)—At his first meetings in Washington, IMF officials reaffirmed to Bulgarian Finance Minister Stoyan Aleksandrov their willingness to discuss a new stand-by arrangement, Bulgarian national radio reported today.

The Bulgarian ambassador in Washington Ognyan Pishev was quoted on national radio as saying that the IMF officials reiterated their support for Bulgaria's efforts to change the nature of its economic system and stabilize its economic condition. They were particularly impressed by what Mr. Aleksandrov told them about the work on the package of tax laws, which the fund viewed as an important stabilizing factor and by the new cabinet's efforts towards full price liberalization, reckoning with the serious social problems which will confront Lyuben Berov's government.

The Bulgarian delegation identified the priorities of the cabinet's intended economic policy this year as financial rehabilitation, stabilization, structural adjustment and foreign debt management.

Finance Minister Aleksandrov and his delegation will confer with representatives of the World Bank. They will consider problems concerning structural adjustment, the foreign debt and options for its settlement.

Assembly Chairman Yordanov Returns From Athens

AU1802125493 Sofia BTA in English 1128 GMT 20 Feb 93

[Text] Sofia, February 18 (BTA)—A Bulgarian parliamentary delegation led by National Assembly Chairman Aleksandur Yordanov returned from a three-day official visit to Greece this morning.

Mr. Yordanov assessed as "very good" the talks with the president of the Greek Parliament Athanasios Tsaldaris, President Konstandinos Karamanlis, Prime Minister Konstandinos Mitsotakis, and PASOK [Panhellenic Socialist Movement] leader Andreas Papandreou. He stressed the talks were held in the context of active diplomacy in the Balkans. Balkan problems and bilateral relations, including economic cooperation projects, were high on the agenda of the talks.

Bulgaria and Greece hold very close, similar views on the situation in the Balkans. They believe the Balkan countries should not intervene in the conflict in the former Yugoslavia, nor should they admit foreign troops to their territories, Mr. Yordanov said. As to Macedonia, the two countries have reached agreement on certain points. Aleksandur Yordanov said Greece is gradually coming round to the view that Macedonia's recognition is inevitable. There still are differences on the issue of its name and symbols, but Greece shows understanding for the Bulgarian position, said Mr. Yordanov.

After Bulgaria's admission to the European structures, Greece has taken a realistic, pragmatic view and sees this country as its most reliable partner in the Balkans, Aleksandur Yordanov said.

The Bulgarian delegation met with Greek Foreign Minister Mikhail Papakonstandinou on the second day of its visit. The sides were pleased with the development of good-neighbourly relations and with the similarity between their views on the war in Bosnia and Hercegovina. The Greek side praised Bulgaria's and Romania's decision to refrain from any intervention in the conflict. The Greek side expressed its conviction that Bulgaria will quickly adapt to the market economy processes. Greece will continue to advance Bulgaria's association with the European economic and political structures. The sides familiarized each other with their views on the Black Sea economic cooperation initiative, which are identical on the point that there is no need to set up political institutions at present, what is needed is to intensify economic contacts between the participants.

Asked about the reaction to the absence of MP's of the Bulgarian Socialist Party (BSP) in the delegation, Mr. Yordanov said: "This was noticed mostly by the representatives of the Greek Communist Party, whom we met last during our visit. They believe this was a result of the policy of confrontation in Bulgaria. We offered a different explanation, based on the Constitution."

The BSP sent no representatives to Greece in protest against the decision of Prosecutor General Ivan Tatarchev to ban former BSP leader Aleksandur Lilov from leaving the country. Mr. Lilov faces charges in a case on the economic catastrophe in Bulgaria and the release of large sums in grant aid to Third World parties and regimes by the communist regime in Bulgaria. Aleksandur Lilov was stripped of his MP's immunity recently, but this is the first restrictive measure taken against him by the prosecutor general. The Socialists charged that Mr. Tatarchev was carrying out a political assignment. Aleksandur Lilov was an aide of Todor Zhivkov's until he lost favour with him in 1983.

SDS Calls For Mass Protest Against Government

AU1802182793 Sofia BTA in English 1708 GMT 18 Feb 93

[Text] Sofia, February 18 (BTA)—In a special declaration which was read in parliament today, the parliamentary Union of Democratic Forces [SDS] called on the SDS supporters "to be ready for mass lawful actions against the insane bureaucratic arbitrariness of the government and its destructive economic policy."

According to the parliamentary SDS, during its first 50 days in office, the cabinet headed by Lyuben Berov, an independent economist, "supported by the Movement for Rights and Freedoms (DPS) and the Bulgarian

Socialist (former Communist) Party" has been conducting witch-hunts and has launched political crackdowns on state administration officials just because they had been appointed by the SDS government, which was in office in 1992. The declaration stresses that the incumbent government attempts to destabilize important institutions, like the national television and the central National Bank of Bulgaria, and to interfere into the independent judiciary.

The SDS blames the government that it has declared war on the entire Bulgarian people "by its inadequate behaviour, the sharp increase of the cost of living and soaring inflation."

The SDS will shortly take over the responsibility for running the country, the declaration points out.

Shortly before the declaration was put to the vote in the faction, the parliamentary SDS decided to expel another two M.P.'s who supported Lyuben Berov's cabinet. In all, seven M.P.'s have been expelled from the parliamentary SDS so far and another eight have quit of their own accord because they declared their support for the new cabinet.

SDS Official Attacks Berov's Economic Program

AU1802165593 Sofia DEMOKRATSIYA in Bulgarian 15 Feb 93 p 1

[Commentary by Edvin Sugarev, DEMOKRATSIYA political adviser and National Assembly deputy of the Union of Democratic Forces (SDS): "New Face of Fatherland Front Shock Therapy"]

[Text] In its program, the coalition cabinet of the BSP [Bulgarian Socialist Party] and the DPS [Rights and Freedoms Movement] says that it will reduce inflationary changes to "the minimum possible," while at the same time it "will follow a policy of further freeing the prices of fuels, electric power, and thermal power." The shock increase in these prices will cause an inflation avalanche in all sectors of the economy and commerce. The prices of milk, bread, public transportation, and so on will leap. This means that we will become poorer, and accordingly more discontented. Our discontent will have to be compensated for, and the rise in prices plus social compensation means only one thing—inflation. Our economy will continue to collapse because the devalued Bulgarian lev will limp along, hopelessly lagging behind the hard currencies. Interest rates will shoot up, while the small property owners who hoped to receive bank loans will find themselves in an impasse.

Does anyone want hyperinflation? Bulgaria and its citizens certainly do not. However, the traitors who exported Bulgaria's millions abroad, the secret companies, and corporations with foreign participation are interested because the person who has dollars instead of leva in his pocket can play a very crafty game when inflation takes off. By exploiting the changes in the rates of exchange and speculating with the constantly changing prices, he can amass millions. With these millions he can then purchase property for a song and buy up enterprises that have been artificially driven into bankruptcy, so that one fine day we will find that he holds everything in his hands. This is evidently the purpose of the Berov "privatization."

Do you happen to see anything in this that reminds you of "social policy?" Do you see something from the notorious "turn to the left" that [DPS leader] Dogan talked about? In the economic realities, which obey the law of the jungle, such concepts are simply out of place. If, for example, you ask a responsible minister, such as [Trade Minister] Valentin Karabashev, you will see what answer he will give. He may, for example, say that the issue relates precisely to restoring social justice. He will say that the interests of the rich, not of the poor, are affected because the former are the ones who drive the expensive gasoline-guzzling cars. It seems that the poor Trabant owner will find life easy; so will the person who has to buy a bus ticket, or the pensioner, who will look with amazement at the bread prices. We have long grown used to the cynicism and demagogy of all the "social arguments" put forward by those in power, but this time it seems that Mr. Karabashev has broken all records.

The only thing is that there is a price to pay for every case of demagogy. From now on there will exist one sole indicator for measuring the lack of confidence in the Berov government, namely the exchange rate of the lev against the dollar.

Finally, here is a piece of advice. It would be good if Mr. Berov behaved like Kim Il-song and gave every Bulgarian citizen a useful present on his birthday (or on the 100th day of his government). Kim Il-song presented a blanket and a pair of straw sandals. I recommend to Mr. Berov that he offer a bicycle.

Berov Justifies Government's Policy Measures

AU1802214093 Sofia BTA in English 2107 GMT 18 Feb 93

[Text] Sofia, February 18 (BTA)—In an extensive statement broadcast on national radio and television this evening, Prime Minister Lyuben Berov discussed topical questions concerning his government's performance.

The cabinet's decision to raise liquid fuel prices, for which it drew heavy fire this week, was a necessary move in fulfillment of the government's policy declaration, Prof. Berov said. Certain political parties, trade unions and individuals artificially politicize this decision and are trying to make maximum political capital out of it, he pointed out.

Mr. Berov described the threats of a strike wave as an attempt at anarchy. In his view, certain quarters are travelling around the country and are trying to organize strikes and to persuade mayors to defy government policies and orders. Social disputes can be settled by reasonable dialogue, not by threats, Prof. Berov said.

The prime minister said that certain publications in various newspapers, targeted against his person and activity, are an all-out campaign against the government. "Maybe some people expect that in this maelstrom of political passions the government will lose its balance and will resign or will be unable to control its moves, but this will not be the case," Prof. Berov said, winding up his remarks.

Security Adviser To Seek More Defense Funding

AU1802142093 Sofia BTA in English 1325 GMT 18 Feb 93

[Text] Sofia, February 18 (BTA)—Bulgaria is ready to repulse massive military provocations, says General Stoyan Andreev, national security adviser to the president, in an interview for today's TRUD, the daily of the Confederation of Independent Trade Unions. Still, defence needs much larger funds and greater attention because the correlation between Bulgaria and the Balkans in the military area is catastrophic for this country, the ratio for certain types of equipment being one to 27-30. That is why, General Andreev says, armaments of a new quality should be introduced without delay.

Bulgaria's improving relations with the neighbouring Balkan countries and its association with the European structures give additional guarantees for the national security, but we should have our own safeguards, says General Andreev.

In connection with the war in the former Yugoslavia, General Andreev expresses his concern over the possibility of a new Balkan war. Politicians and leaders of different countries express the same apprehensions. "We should be clear about the danger without creating hysteria," says Stoyan Andreev.

Commenting on the criticism that Bulgaria did not stop the Serbian tankers carrying oil along the Danube in violation of the UN embargo, General Andreev says Bulgaria's interests are the top priority. A different conduct would have had serious consequences. "We could have stopped the tankers by force but I think the Balkans are not ready for this kind of reaction now," stresses General Andreev.

In connection with the visit to Russia by Defence Minister Valentin Aleksandrov, described by some people as Bulgaria's return to the Russian sphere of influence, General Andreev says this is the latest insinuation by people who feel no responsibility for Bulgaria's security. Political influence is out of the question, he says, but it should not be forgotten that 100 percent of the armaments of the Bulgarian Army are Russian-made.

Ministry Plans Program for Military Industry

AU1802214693 Sofia BTA in English 1911 GMT 18 Feb 93

[Text] Sofia, February 18 (BTA)—The Military Economic Directorate of the Defense Ministry, which manages nearly 20 per cent of Bulgaria's military industrial complex, is working out a programme for the full utilization of production capacities, including the manufacture of goods for civilian use, Mr. Khristo Tomov, deputy defense minister and head of the directorate, told a news conference today. All military repair works within the system of the Bulgarian Army are subject to the Military Economic Directorate, which is the main Army supplier.

In Mr. Tomov's opinion, the military repair works are in dire straits due to the revision in Bulgaria's military and defence strategy.

The Military Economic Directorate participates in the elaboration of an overall concept on army modernization and rearmament. In the future, the Bulgarian Army will be supplied both by the military industries of the former Soviet republics and by countries like Poland, the Czech Republic and Germany, Mr. Tomov said. He said that due to the nature of the materiel of the Bulgarian Army, the CIS will continue to provide most of the spare parts.

Embassy in Bratislava To Be Checked for Bugs

AU1802125293 Prague TELEGRAF in Czech 15 Feb 93 p 3

[Report by CTK: "Protection Against Bugging"]

[Text] Prague— The Czech Republic will check the building of its embassy in the Slovak Republic to make sure that no intelligence-gathering devices are installed there. This was announced by Deputy Minister of Foreign Affairs Pavel Bratinka.

He stressed that this would be a routine check that is not directed against any specific state. "This check will be carried out; it is our duty. This is done at every embassy," he specified. According to Bratinka, at every embassy there must be premises that are absolutely protected against bugging.

Pavel Bratinka went on to say that he was not aware of any case of listening devices having been discovered at a Czech Embassy building abroad.

"The question is whether I would even learn of any listening device having been found at a Czech Embassy," he noted, adding that "in some countries it may not be in our interest to make such information public." According to Bratinka, only three or four of the highest state representatives might be informed about such a sensitive matter.

Experts Suggest 'Czechia' as English Short Name

AU1902142793 Prague LIDOVE NOVINY in Czech 17 Feb 93 p 3

["kp"-signed report: "How To Shorten the Republic's Name"]

[Text] Prague— The short form used for the Czech Republic in Austria is Tschechien, in Great Britain they use the name Czechia, while in Germany travel agents' catalogues, for example, speak about Tschechei. Jiri Cech, director of the Czech Ministry of Economy Department of Tourism, said that the FRG accepts the objection that the term Tschechei was used for the country by Hitler in 1933 but the Germans say that they do not know what other name should be used instead.

"The issue is not a matter of indifference to us," Lucie Pilipova, the Ministry of Foreign Affairs press spokeswoman, said yesterday. According to her, the ministry has been monitoring what our country is being called in individual languages. "We cannot tell anyone abroad what name he should use, we are only going to recommend some name," she said. "As a point of departure we will use proposals made by experts from the Prague Faculty of Philosophy."

A group of linguists and historians from the Charles University Faculty of Philosophy advocates Cesko as a short name for the Czech Republic. It is an organic [ustrojny] name and conforms with the spirit of the Czech language, says Professor Jiri Felix, head of the chair of Romance languages. They recommend the term Tschechien for German-speaking countries, Czechia for English, Tchequie for French, Chequia for Spanish and Portuguese, and Csehorszag, for example, for Hungarian.

Fendrych: Republic Can Accept No More Refugees

AU1902101793 Prague MLADA FRONTA DNES in Czech 16 Feb 93 p 2

["(ina)"-signed report: "We Cannot Serve as Transit Territory"]

[Text] Prague—Deputy Interior Minister Martin Fendrych yesterday denied rumors that Germany had suggested paying for refugees after they are handed over onto Czech territory. "When dealing with the German delegation, not a word was said about financial support on the part of Germany," Fendrych said.

At present, there are 800 refugees in the Czech Republic who have requested refugee status, and several dozens of illegal immigrants. The Czech Republic has resources for accommodations for 3,000 refugees, which are occupied, however. "Therefore we must seek a solution to prevent more illegal immigrants from entering our territory. The Czech Republic cannot serve as transit territory for these migrants," Fendrych said.

Slovak citizens who cross the borders between the two republics cannot be considered illegal immigrants since the borders are only administrative borders and there is no visa obligation between the two republics.

Temporary Asylum Granted to Yugoslav Refugees

AU1802201993 Prague CESKY DENIK in Czech 15 Feb 93 p 2

["mip"-signed report: "800 Refugees in the Czech Republic"]

[Text] Prague—"A total of 5,500 persons have passed through refugee camps since 1990, some 400 of whom have applied for refugee status. Approximately 19 percent of the applications were positively settled after the first hearing, and another 3 percent after the asylum seekers' appeal. About 800 people who have been granted the status of refugees are currently staying in the Czech Republic," Deputy Minister of Interior L. Kopriva told yesterday's meeting of the Chamber of Deputies' Legal Protection and Security Affairs Committee.

As he went on to say, temporary refuge has also been granted to 2,000 refugees from the former Yugoslavia, most of them Muslims from Bosnia. They are currently staying in 17 humanitarian centers in the Czech Republic. According to Deputy Minister Kopriva, the last larger-scale transfer occurred at the end of last year

when approximately 500 concentration camp detainees from Bosnia-Hercegovina were flown in.

State Aid To Wait for Liquidation of Large Firms

AU1802120993 Prague HOSPODARSKE NOVINY in Czech 15 Feb 93 pp 1, 3

[Report by Marcela Doleckova, Jana Havligerova: "At the Eleventh Hour; Vladimir Dlouhy: The State Stands By Its Pledge To Help Solve Bankruptcies"]

[Text] The mammoth holding companies in which redistribution processes on a smaller or larger scale have been maintained will be broken up into smaller entities, most probably before the law on bankruptcies becomes effective. Only after the flow of goods and money become clearer in this way will the state be ready to extend its helping hand.

Although the talks of all parties concerned have not yet been wound up, Minister [of Trade and Industry] Vladimir Dlouhy considers this to be the new feature of his industrial policy. Although economic ministers will discuss the methodology of this restructuring only on Wednesday, [17 February] and even though the methods applied with respect to individual giants will evidently differ, Vladimir Dlouhy does not want to ask the government for financial bailout [financni sanace] without having the guarantee that, if extended, the government's assistance will be rational and purposeful and will not get drowned in redistribution processes.

In the background of the Trade and Industry Ministry's reasoning may well be the fear of speculation: a large bankrupt company could be bought for peanuts. This chance would offer itself, in particular, to foreign capital. The bankruptcy of unsellable and heavily indebted companies could also be misused by their present managers or by small capital groups such as, for example, some investment privatization funds.

Many question marks hover over this forceful intervention, which the Ministry of [Trade and] Industry has been demanding of management for a long time, albeit apparently without much success. The problem is that some of these holding companies (Skoda Plzen, CKD Prague, Tatra Koprivnice) have already gone through coupon privatization in their entirety. Nevertheless, the minister claims that a mechanism to divide their shares exists and that this mechanism could become a supplement to the privatization projects. However, the whole operation would have to take place prior to 29 March when individual holders of investment coupons and privatization funds will start taking over shares in the booked form. It is also apparent that it will be difficult to divide the liabilities and assets of these companies, which are usually "owned" by the holding as a whole. The influence of the bankruptcies of Slovak enterprises on Czech enterprises is a problem in its own right. Supposedly, this matter has not been discussed yet.

When the government extracted from parliament another delay of the key article of the law on bankruptcies last fall, it said that its course of action was guided by the endeavor to seek alternative methods of solving the companies' financial situation by spreading the risks of bankruptcies among creditors, debtors, banks, and possibly also the National Property Fund.

This is why the scenario that appears to be the most promising of all provides for a three-month "grace" period for enterprises facing bankruptcy, during which they can negotiate with creditors.

If no workable agreement is reached, the enterprise can either really go bankrupt properly, or the state will step in. The mechanism of this intervention could consist, for example, of assistance from the state budget, or the National Property Fund could make available funds to Konsolidacni Banka Praha [Prague Consolidation Bank] for it to purchase "irrecoverable" claims. The price would probably be a matter of agreement, but a price of around 50 percent has been suggested. The idea is for Konsolidacni Banka to try to sell these claims, naturally for a higher price than it paid itself. Minister Dlouhy claims that a buyer can always be found; he was less confident when speaking about the selling price.

Responding to the objection that the three-month grace period is somewhat short, Minister Dlouhy said that the companies had a whole year, during which the most important article of the law on bankruptcies had been blocked, to which one must add the gift of another six months that they received with the amendment of that law.

ODS Official on Intelligence Service

AU1802140993 Prague TELEGRAF in Czech 15 Feb 93 p 3

[Interview with Petr Cermak, deputy chairman of the Civic Democratic Party, by Pavla Grunthalova; place and date not given: "The Security and Information Service Must Not Become a Subject of Political Struggle"]

[Text] [Grunthalova] Sir, on 31 January you were charged with coordinating the secret services of the Czech Republic. Are you satisfied with the activity of these services?

[Cermak] Secret services are in their infancy in the Czech Republic. The reorganization that they are undergoing is certainly to the detriment of their work. The main problem is the personnel. We do not have new people to work for the secret services, and we cannot educate them quickly. Their training takes a very long time. Well, there are things which I am satisfied with, and there are things which I am not satisfied with—which I am very dissatisfied with. My role ended on 31 January, however, so those will become problems for someone else.

[Grunthalova] There are rumors that, for example, in the Czech secret service—the Security and Information Service [BIS]—there are more than 70 former members of the Second Administration of the Security Service [StB]. There are reports that in the Military Defense Intelligence [Vojenske Obranne Zpravodajstvi]—VOZ—some 70 percent of the staff are former VKR [Military Counterintelligence] members (former StB's Third Administration). At the same time, it was published that new post-November members of the Federal Security and Information Service were not hired by the BIS. Mostly new people with university education were dismissed—people having three years of experience in this type of work, people who are in short supply. Can you say something about that?

[Cermak] I, too, have seen this information in the press. Every intelligence service is headed by a director who is fully responsible for the composition of the personnel. The role of the coordinator—which I was—is to coordinate their activity. The coordinator does not interfere with internal matters at the services, and has nothing to do with their personnel matters.

[Grunthalova] What is the Civic Democratic Party [ODS] view of the current composition of the personnel in the secret services?

[Cermak] I would need to know more about the matter. At first, you are tempted to give a negative answer, but it would be good to know who are those people and what they did previously in the StB Administrations. Of course, the screening law should be applied here. Those are very special services, and I cannot give you an unequivocal answer.

[Grunthalova] What is the ODS opinion on the post of the BIS director? It is well-known that the Civic Democratic Alliance and the Christian Democratic Party have shown interest in this position.

[Cermak] The ODS has not conducted very serious talks on this matter. A conclusion from the only meeting of ours was our proposal of Stanislav Devaty as temporary director of the BIS. I, personally, would be frightened if positions of this nature become the subject partisan political struggle. In my opinion, generally speaking, the secret service should be directed by someone experienced who understands the problem, can control the service in a democratic way, and in a way which would provide the necessary national security. That is, he should be the most capable man, and if he were from a different party than from the ODS, I would not necessarily oppose him.

Klaus Addresses Rally on New Laws, Split

AU1802130893 Prague TELEGRAF in Czech 15 Feb 93 p 3

[Report by CTK: "Vaclav Klaus at Klatovy"]

[Text] Addressing a rally at Klatovy [in western Bohemia], Czech Prime Minister Vaclav Klaus expressed the fear that once the law on anticommunist resistance is "triumphantly" adopted, the next day 10 million people will declare themselves anticommunist resistance fighters. According to Klaus, the government coalition is looking for ways to formulate the law and discussing whom it should concern. This is a difficult legislative task, but all government coalition parties have promised that it would be met by the end of the first half of the year, Klaus said. At the same time he warned against a simplified view of this issue.

Vaclav Klaus described as his most difficult time last year the moment when, during talks with [Slovak] Prime Minister Meciar, he internally arrived at the decision that the struggle for the common state was lost.

"At that time I told a news conference: I must tell you that the Civic Democratic Party has decided to nominate me not for the post of federal prime minister but for the post of Czech prime minister. I now admit that I had made this up. It was a way of expressing that idea," Vaclav Klaus told the rally at Klatovy.

Klaus considers deciding on the completion of the Temelin nuclear power plant and drafting a good law on bankruptcies to be the most complicated present tasks. According to the prime minister, all arguments, including ecological ones, speak in favor of completing the construction of the nuclear power station.

As to the law on bankruptcies, Klaus said that its preparation is complicated because it is impossible to use any foreign models and because an original Czech solution must be found.

President-Elect Kovac Addresses National Council

AU1802200093 Bratislava NARODNA OBRODA in Slovak 16 Feb 93 p 1

[Michal Kovac, Slovak president-elect, address to National Council: "The President's First Words"]

[Text] Dear deputies, ladies and gentlemen!

I will do my very best—within my human powers—to deserve this high office and your trust. I will do my very best to become a good president of this country, which means the president of all our people, all our regions, from Medzilaborce to Skalica, from Kysuce to Komarno. I am happy that my constitutional obligations are independently strengthened by the support of deputies from almost all the parties and movements. This parliament has shown, once again, its own maturity, since by electing the president it has supported and completed Slovak statehood. This is a positive signal to the world and a manifestation of its willingness to participate in solving vitally important problems of the citizens of the Slovak Republic, and in dealing with public matters. It is convincing proof that we are capable of being united, despite being different [politically], and capable of putting Slovakia's interest above narrow party interests. I hope that the political will to build Slovak statehood and participate in the solution to important problems will become a permanent feature of Slovak society and contribute to the spiritual and material well-being of our citizens. I am looking forward to cooperating with you, with all representatives of our public life. I am expecting the help and support of all Slovak citizens, and of you, ladies and gentlemen, deputies of all the political parties and movements. We have serious and difficult work to do. We need mutual trust and willingness to serve to our cause, and we need civilized mutual communication. Together, we will accomplish the tasks that await us. So help us God.

Kovac Gives First Press Interview

AU1902091593 Bratislava NARODNA OBRODA in Slovak 16 Feb 93 pp 1,2

[Interview with President-Elect Michal Kovac by Julius Gembicky in Bratislava on 15 February: "Common Sense, Justice, and Slovakia's Interests"]

[Text] The Slovak Republic's first democratic president was elected by parliament at 1557. Shortly after the representatives of legislative and executive power and the leaders of the political parties had congratulated him, Michal Kovac granted NARODNA OBRODA one of his first interviews as president.

[Gembicky] Mr. Kovac, on behalf of the management and staff of the NARODNA OBRODA editorial office, I wholeheartedly congratulate you on your election and wish you good health and strong nerves in resolving the complicated problems that await Slovakia on its road toward democracy and prosperity. Allow me to ask my first question: What do you think are the main reasons for the success of your preelection diplomacy? Why were you—in the end—an acceptable candidate for the individual parliamentary political parties?

[Kovac] In my opinion, the fact that—in this less favorable situation—I did not lose my head or my belief that democratic mechanisms operate in our country was decisive. Only democratic mechanisms guarantee that parliament's deputies will—in the given situation—select the most suitable person for the office of president. This was despite the fact that there were many ups and downs in the election of the president. It follows that they had patience and faith in the functioning of democratic mechanisms. I was also able to capture the deputies' interest by my attitudes and opinions about our very complicated domestic political issues. I won them over during my talks with representatives of the individual political parties and movements, but mainly during my talks with the deputies in the deputies' clubs, because in them they could—in the final analysis—get to know me. Whether it was the Party of the Democratic Left, Movement for a Democratic Slovakia, or the Slovak National Party Deputies' Club, these were, in my opinion, important points on the road toward the success of my preelection diplomacy and they decided the election result.

[Gembicky] You are the first democratically elected Slovak president. However, as soon as you are inaugurated you could easily find yourself under pressure from society's increasing economic problems and from tension between the minority government and a multifarious parliament. How will you react to growing pressures demanding the recall of certain ministers?

[Kovac] I am prepared to rely on the point of view expressed by parliament. Parliament, the prime minister, and the committees are the bodies and institutions permitted to assess the work of individual departments and of individual ministers. Of course, I have to prepare my own point of view in this matter, a point of view that will protect the citizens' interests. This means not permitting solutions that would deviate from this framework. I must realize that the prime minister, who bears most responsibility for executive power, has to have the opportunity—if the need arises—to discuss issues concerning the new composition of individual departments. I believe I will contribute to the process of harmonization so that it is calm and well-considered. A process in which—in the end—common sense, justice, and Slovakia's interests must prevail.

[Gembicky] Mr. President, in your opinion, in what way are you like the first Czech president, Vaclav Havel? And, vice versa, how do you differ from him?

[Kovac] I have never thought about it. The fact that his fate unfolded under different conditions with different personalities, that he is a playwright and I am an economist, and that I was not a dissident, but was expelled from the party are all dissimilarities that have imprinted a different seal on us. However, I think we

also have something in common—faith in humanistic ideals, faith in moral strength, and faith in politics.

[Gembicky] Are there merely technical reasons for postponing your inauguration until 2 March? What awaits you during this preparatory period?

[Kovac] There is only one reason. It was apparent, given the government and parliamentary program, that 2 March is the most suitable date. And what awaits me? First and foremost, establishing a functional Office of the President. I would like to invite several prominent foreign guests to my inauguration. All of this takes time.

Kovac Outlines Basic Economic Views

AU1802194993 Bratislava HOSPODARSKE NOVINY in Slovak 17 Feb 93 p 2

["(am)"-signed report: "Michal Kovac on the Economy"]

[Text] A news conference was held immediately after Michal Kovac was elected president by the National Council of the Slovak Republic. The newly elected president also aired his views on some of Slovakia's economic problems. The following is an extract from what he said: "A major problem is how to improve the financial situation of enterprises. Secondary insolvency is a very sore spot. It is so serious that otherwise viable enterprises find it impossible to get the credit they need for their recovery. A kind of vicious circle has been formed into which the government has not yet entered with appropriate solutions. I see one solution for this sphere, and also for others. It is necessary to redefine the Slovak National Property Fund, which is an institution that holds state shares in already privatized enterprises and the financial yield from the sale of enterprises, which is a couple of billion.

"However, the state's participation in the non-privatized enterprises amounts—according to my calculations—to some 500-600 billion. If we were to express this in our National Property Fund—that is, that we still have at our disposal 500-600 billion state shares—what would be the problem in transferring the state budget's debts, amounting to roughly 30 billion, into this very fund? The state budget would pay back these debts in, perhaps, 15-20 years, but the fund—which is going to privatize 500-600 billion—could pay them back in the course of a year. This fund could assume responsibility for its enterprises' credit guarantees. As I said, this fund held the aforementioned state shares in privatized enterprises. This is an idea I have managed to discuss with the finance minister and some representatives from the National Bank of Slovakia and the General Credit Bank. I hope I will find time in the future to participate in similar discussions, discussions that should take place in the very near future at the suggestion of a certain government member. I would like to use my experience and knowledge to help resolve this problem."

Meciar Comments on Role, Tasks of New President

AU1902091993 Bratislava SLOVENSKY DENNIK in Slovak 16 Feb 93 p 2

[TA SR report: "V. Meciar: A Functional President"]

[Text] Immediately after the election of the Slovak president, news agencies began issuing first reactions. Slovak Prime Minister Vladimir Meciar said that the result of the elections was expected.

Asked what subjects would be discussed with President M. Kovac, Meciar said: "We will discuss the tasks we have discussed so far." He considers the primary task to be to fulfill the promises made and treaties concluded with other political parties. From what he said, the task of making the presidential office functional—so he can fulfill all his constitutional tasks—is no less important. This applies, above all, to the appointment of people in functions in those state organs and offices that are essential for the functioning of the state.

In connection with rumors about the dismissal of some ministers of the Slovak Government, Meciar said that the president could do that in two cases. "First, if the Slovak Parliament passes a no-confidence vote on a minister—in that case he must dismiss him—second, on the suggestion of the prime minister—in that case he may dismiss him," he added. Asked whether he would suggest that Foreign Minister Milan Knazko be dismissed, Meciar refused to comment. "Let us wait. Time will answer all our questions," he commented.

Ministry Says Danube River Diversion 'Unlawful'

AU1702185193 Prague HOSPODARSKE NOVINY in Czech 15 Feb 93 p 16

[Report by CTK: "Was the Danube's Diversion Unlawful?"]

[Text] Vienna—The diversion of the Danube made in connection with putting the Gabcikovo hydroelectric power station into operation is unlawful. This transpires from documents of the Slovak Ministry of the Environment that were submitted to journalists in Vienna by the World Wildlife Fund (WWF), the international environmentalist organization.

The document reveals that the construction organizations did not meet crucial conditions to maintain the ecological balance and protect drinking water supplies. "The necessary measures to minimize the negative impact of the Gabcikovo hydroelectric power station on, in particular, the quality of underground water were not taken either," the document states. Diverting the Danube's flow and making the power station operational were not only unlawful, the document states, but they even reckoned with the risk to the supplies of underground water. According to the WWF, at its meeting on 4 December the Slovak Government took note of the

Environment Ministry statement but did not draw any practical conclusions from it.

Minister Denies Saying Diversion 'Unlawful'

AU1802200993 Bratislava NARODNA OBRODA in Slovak 17 Feb 93 p 13

[TA SR report: "Mendacious Accusations Rejected; Jozef Zlocha Responds to an APA Report"]

[Text] Bratislava—In a statement sent to the TA SR yesterday, Slovak Minister of the Environment Jozef Zlocha responds to a report of the Austrian APA agency of 14 February, according to which the change in the flow of the Danube River, necessitated by the launch of the Gabcikovo hydroelectric power station, was unlawful.

The Austrian agency arrived at this conclusion on the basis of data of the Slovak Ministry of the Environment that were presented by the World Wildlife Fund (WWF) to journalists in Vienna. The APA report drew attention to the fact that, in a document submitted to the Slovak Government on 4 December 1992, the environment minister had stated that "crucial conditions to minimize the negative impact of the Gabcikovo hydroelectric power project on the environment and underground water have not been met to this day."

The claim that the working document of the Slovak Ministry of the Environment qualifies the change in the flow of the Danube made in connection with putting the Gabcikovo hydroelectric power station into operation as unlawful is a lie, Jozef Zlocha declared. According to his words, the government did not discuss this working material only because it had not been submitted to other government departments for expert evaluation.

Minister Zlocha is convinced that the entire campaign around compliance with the 19 Gabcikovo points [reference to a list of 19 conditions set by the Slovak Ministry of the Environment that the builders of Gabcikovo must meet] has been deliberately targeted at the day when Slovak and Hungarian delegations meet in Brussels for talks. He considers the publication of the working material irresponsible also because incorrect conclusions are being drawn from the facts contained in it, conclusions that cast doubt on the endeavor of the Slovak Government that the hydroelectric power project stops being an ecological bogey at the Slovak and Hungarian sides of the Danube River.

Meciar Comments on 'Resuscitation' of Economy

LD1902002093 Bratislava STV 1 Television Network in Slovak 1830 GMT 18 Feb 93

[Comments by Slovak Prime Minister Vladimir Meciar to unidentified correspondents following a meeting with representatives of Slovak banks on 18 February; place not given—recorded]

[Excerpt] [Passage omitted] [Correspondent] What steps must we take to strengthen the economy?

[Meciar] There are two overviews which we must take. The first is survival—that is, a strategy of short-term measures which will be undertaken—and the second is resuscitation. This means that this is a strategy which is laid out over a longer period. The fact that devaluation has been spoken about publicly has clearly damaged Slovakia's financial state, because subjects which heard about it began to operate as if they were in a pre-devaluation period—they left their money abroad and speedily made payments abroad.

Through this, in fact, the differences increased. These things are usually kept secret, and too much information about this acts as a detriment to society as a whole. I recall the time when Mr. John Major said in Parliament that there will be no devaluation, and the next day it happened. There are discussions about this here in the newspapers, in the bars, everywhere, and this is not good.

[Correspondent] Mr. Prime Minister, you speak about resuscitation. Given the discussions so far, are banking circles, our banking institutions, prepared? Are they capable of supporting and helping this resuscitation?

[Meciar] We must explicitly state what can be done now and what cannot be done. First, we will have to separate the sphere of privatization from other bank sources; we are capable of solving this. This means that the next wave of privatization that will take place should not be at the expense of exhausting banking resources, which serve development.

The second thing we must do is regulate the circulation of goods. Therefore it is not possible in a situation which threatens the state and therefore financial institutions, a situation of financial collapse, that we should import—let's say—Dutch meat at great expense or other products, such as Western beer at great expense, when ours is as good anyway. Furthermore, it will be necessary to take wide-ranging measures to allow the licensing of exports and imports.

Sometimes we must consider what steps we are taking in surcharges and duties. Thus the whole system of restrictive measures, talking about freedom of the market....[changes thought] Intervention in this market, just like the French did when things were bad, like the Italians did when things were bad, every state must work so that the situation stabilizes.

Says Devaluation Climate Harmed Finances

LD1802205693 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 18 Feb 93

[Text] Slovak Prime Minister Vladimir Meciar received representatives of Slovak banks today in the context of the talks on the financial and currency situation in Slovakia. At the end of the talks, the premier told a Press Agency of the Slovak Republic reporter that devaluation

should not be the only topic of conversation; the stabilization of the koruna should also be discussed. He said that the pre-devaluation atmosphere has damaged Slovak finances. According to Vladimir Meciar, the revitalization of the financial situation would demand a separation of the sphere of privatization from other bank activities. Any future wave of privatization should not exhaust resources intended for development.

After talks with the representatives of the Slovak banks, Vladimir Meciar, in the interview given to the Press Agency of the Slovak Republic, also spoke about the mutual exchange of goods with the Czech Republic. The initial estimates made by the two governments in the beginning of this year differ by a whole 30 percent from the current indicators, and the development so far has not been favorable for Slovakia.

Central Bank Said To Propose 30% Devaluation

AU1802202193 Prague MLADA FRONTA DNES in Czech 15 Feb 93 p 1

["kw"-signed report: "30 Percent Devaluation of the Slovak Currency?"]

[Text] Bratislava—The Slovak currency is expected to be devalued in mid-week, according to information from Slovak banking circles. As we managed to ascertain over the weekend, as early as Wednesday, 10 February, Marian Jusko, vice governor of the Slovak National Bank [NBS], officially submitted to the Slovak prime minister a request for the Slovak currency's devaluation by a minimum of 30 percent. The request states, among other things, that the Slovak economy is facing collapse and that foreign exchange reserves have been completely exhausted. "I will at any rate vote against devaluation," Slovak Minister of Finance Julius Toth told us yesterday.

According to information provided on Friday [12 February] by Marian Jusko, the Slovak Government and NBS representatives were to discuss devaluation over the weekend. Yesterday, Minister Toth first refused to make any statement on the issue on the grounds that he did not know anything. According to our information, however, the minister held important talks on Saturday [13 February], the nature of which the minister's Secretariat did not specify. The minister later admitted that the NBS Bank Council may have met during the weekend. He said, however, that the Bank Council does not have the mandate to decide on currency devaluation, which, in his opinion, can only be decided by the government.

Official Denies Requesting Devaluation

AU1802202393 Bratislava SMENA in Slovak 16 Feb 93 p 2

[TA SR report: "Vice Governor Denies"]

[Text] Bratislava—Marian Jusko, vice governor of the Slovak National Bank, has denied a report in yesterday's issue of the daily SME NA KAZDY DEN, according to which he had turned to Slovak Prime Minister Vladimir Meciar with a request for a 30 percent devaluation of the Slovak koruna. "I have not written any letter to Prime Minister Meciar, have not mentioned any percentage of devaluation in any letter, nor have I delivered any opinion on it," Jusko stressed.

National Council Approves State Symbols

LD1802194693 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 18 Feb 93

[Text] At today's National Council session, deputies adopted the government bill on the state symbols of the Slovak Republic, which includes certain changes in the lyrics of the national anthem. After adopting this law, they began to discuss amendments to the bill on elections to local councils. The deputies adopted the bill.

Culture Ministry Halts Some Journal Subsidies

AU1802115893 Prague CTK in English 1343 GMT 16 Feb 93

[Text] Bratislava Feb 16 (CTK)—Slovak Minister of Culture Dusan Slobodnik has cut off state subsidies to four literary and cultural periodicals in Slovakia, a move the editors of the periodicals described as political discrimination, a limitation of plurality, and undemocratic.

At a press conference today, the editors of SLOVENSKE POHLADY [Slovak Perspectives], FRAGMENT, ARENA and KULTURNY ZIVOT [Cultural Life] said the cessation of funding since the beginning of 1993 leaves them without any financial support and threatens them with collapse.

FRAGMENT editor-in-chief Oleg Pastier said his paper is considering publishing in samizdat.

According to a joint statement of the periodicals, the Ministry of Culture ceased as of 1993 to subsidise these magazines which prepared the climate for November 1989 or emerged directly from it. This cannot be characterised other than as an attempt to liquidate those forces connected with the democratic transformations since November 1989, and to return culture to its situation before that year.

The four publications are known for their opposition to the ruling Movement for a Democratic Slovakia (HZDS). Slobodnik last year accused KULTURNY ZIVOT of being the focus of a conspiracy calling for Slobodnik's resignation and attempting to blacken the name of Slovakia. Slobodnik has also sued writer Lubomir Feldek, who is editor-in-chief of ARENA and a contributor to KULTURNY ZIVOT, for libel. At their first trial date February 5, they agreed to try to settle out of court. Slobodnik has also stated in the past that he would not cut off subsidies to KULTURNY ZIVOT or similar periodicals. The opposition will have its newspapers, he told one journalist last year.

In a letter informing KULTURNY ZIVOT of the end of its subsidy, Slobodnik justified the decision by saying that the weekly is not published by a specific writers' organisation and that the National Council of the Slovak Republic recommended it. KULTURNY ZIVOT editor-in-chief Ivan Strpka called this justification absurd and said that FRAGMENT and ARENA, which have already ceased publication, were not given any justification.

SLOVENSKE POHLADY editor-in-chief Jan Strasser said that of the 11 cultural and literary magazines published in Slovakia, seven will receive 1993 subsidies of 10 million crowns (333,333 USD [U.S. dollars]), while the four opposition periodicals will receive nothing.

Former Slovak Minister of Culture Ladislav Snopko said the culture minister has the full legal right to disburse money for cultural activities, but may not do so based upon his personal judgement of their quality.

IMF Mission Holds First Round of Talks

AU1902134993 Bratislava NARODNA OBRODA in Slovak 17 Feb 93 p 2

[I. Zvach report: "It Is Impossible To Talk About Pressure on the Slovak Republic"]

[Text] Bratislava—The International Monetary Fund mission, which arrived in Slovakia on 15 February, spent most of yesterday talking to National Bank of Slovakia [NBS] representatives.

NBS Vice Governor Marian Jusko told us the talks are part of a more detailed mapping out of the economic situation in Slovakia by IMF representatives. The exchange rate of the Slovak koruna against convertible currencies was also discussed within the framework of the talks. Although the IMF representatives expressed the view that Slovakia should accede to a so-called floating exchange rate—that is, an exchange rate proceeding from the ratio between supply and demand in commercial banks—in no way is it possible to talk about pressure from the IMF. This is a standard IMF recommendation in situations like ours. It does not mean we are being forced to submit to such an option.

On the contrary, as Mr. Jusko emphasized, the IMF representatives listened carefully to our side's arguments (we support the so-called fixed exchange rate determined by the central bank—editor) and a decision will be made after all the circumstances have been taken into consideration. Then we could be talking about whether and by how much to devalue the Slovak koruna against its current value. So, no decision has yet been made!

The mission will be in Slovakia until 26 February. A detailed report should be drafted shortly. It will form the basis for the IMF and World Bank's decision on when and how much to lend us to support Slovakia's balance of payments and guarantee the Slovak koruna's internal convertibility. We should expect the first loans this April.

The mission's members should hold talks today at the Finance Ministry and the Economy Ministry.

Indian State Minister Holds Cooperation Talks

AU1602173293 Bratislava PRAVDA in Slovak 13 Feb 93 p 2

["(ta)"-signed report: "We Have Something To Build On"]

[Text] Bratislava—Expanding cooperation in trade, industry, culture, and education was the subject of yesterday's talks held in Bratislava by Raghunandan Lal Bhatia, Indian minister of state for external affairs. He is the first non-European minister to visit the Slovak Republic.

This was not merely a courtesy visit. He was received by our most senior political representatives. They confirmed what Slovak Deputy Prime Minister Roman Kovac said: "We are pleased to welcome industrialists, businessmen, and economists willing to invest in the Slovak Republic." At the same time, we are also interested in investing in India.

There is something to build on. Slovak products and technology are as well known in India as the work of our technologists who worked there. A trade delegation will visit our country at the beginning of March to discuss specific projects and priorities in commercial, industrial, and cultural activities. It was made clear at a meeting with journalists that the two sides have agreed "to continue sensible cooperation in exporting military technology for India's defense needs."

The foundations for the first trade agreement between the Slovak Republic and India should be laid in March. According to Jan Lisuch, Slovak Foreign Ministry state secretary, this will legalize the transfer from rupee clearing to a payment system in freely convertible currencies.

Antall Telephones Austrian Chancellor

LD1802191493 Budapest MTI in English 1819 GMT 18 Feb 93

[Text] Budapest, February 18 (MTI)—Prime Minister Jozsef Antall telephoned Austrian Federal Chancellor Franz Vranitzky this morning.

He began by expressing his gratitude to the chancellor for his participation, on February 16, in the re-establishment of the Hungarian Ethnic Council working in cooperation with the Austrian Government.

Antall recalled that within the scope of the EFTA [European Free Trade Association] negotiations, the size of the Austrian concessions offered to Hungarian products are at present still open to negotiation, as well as the products concerned.

He asked for greater flexibility from the Austrian side in the spirit of the Eisenstadt meeting held on October 7, 1992. He is to detail all this in a letter to be sent to the Austrian chancellor.

The two heads of government also informed each other on other domestic and foreign policy questions.

Finally, Antall wished Austrian Foreign Minister Alois Mock a speedy recovery from his skiing accident.

* Fur Interviewed in Bratislava Hungarian Daily

93CH0381A Bratislava SZABAD UJSAG in Hungarian 25 Jan 93 pp 1, 3

[Interview with Hungarian Defense Minister Lajos Fur by Zoltan Balassa; place and date not given: "We Are Not the Only Ones on Whom This Depends"]

[Text] *In recent weeks and months we frequently heard charges to the effect that Hungary was making aggressive preparations against its neighbor, that Hungary was developing its armed forces for this reason. Although we know that these allegations were based on malicious rumors, we asked Lajos Fur, the defense minister of the Hungarian Republic, to state his views to this newspaper.*

[Balassa] Mr. Minister, you are very well aware of the fact that the Slovak press, and certain important, as well as lower ranking, Slovak politicians try to establish a certain false sense of unity by looking for monsters. One of these monsters is the Hungarian Army. What is your view in this regard?

[Fur] All I can say is that these are, indeed, monsters. In other words: They bring up concocted threats, because an intent on the part of our army to threaten anyone is out of the question. We have a situation in which we do not want to deal with anything but the defense of the Hungarian Republic.

Anyone who claims that the Hungarian Army is being regrouped, that flight incursions take place, or that this Army is being armed is making malicious charges. I could say slanderous charges.

[Balassa] The power position of the Soviet Union forced the armies of the former socialist countries—armies that were not independent—to adopt a defense system, armaments, strategy, and deployment along the western borders, which has all become useless by now.

[Fur] But no regrouping at all is taking place, in which large or small military units are deployed along the Slovak border. If any regrouping takes place at all, that involves redeployment from the western part of the country to the center and the eastern half of the country, where there were no soldiers at all before. Reports published by certain Slovak newspapers, according to which we have deployed units along the northern border, are simply untrue.

[Balassa] The other matter that causes nervousness involves deliveries of military equipment from the former Soviet Union and Germany.

[Fur] Let me tell you that the Germans are not selling weapons to us, but spare parts related to military technology. Russian deliveries are based on settling Soviet trade debts. We receive not only spare parts, but also weapons from them.

[Balassa] How well was the Hungarian Army equipped before?

[Fur] It was equipped to the same degree as the rest of the Warsaw Pact armies. The only difference was that a rather large Soviet force was stationed in Hungary. For this and other reasons, the military technology of the Hungarian Army was not at all—or was only barely—developed during the past two decades. In other words, certain categories of military technology were worn out or became antiquated. These need to be replaced urgently. Then there were other types of weaponry that were maintained at extremely low levels, as, for example, the Hungarian Air Force and Air Defenses. This is why we would like to have our Air Defenses and Air Force strengthened somehow, to enable us to defend Hungary at the most important points. Solely for this reason, and for no other reasons, so that we can better safeguard the country's airspace.

Let me say this: Based on the Vienna disarmament and arms reduction agreements, the upper limits for various types of weapons were lowered. Hungary was authorized to have 180 fighter airplanes. In reality, however, we do not have more airplanes than that, but far fewer airplanes than the authorized number. We only have 103 fighter airplanes. Everyone is aware of this fact.

[Balassa] In comparing the condition of the previous Czechoslovak Army with that of Hungary from the standpoint of equipment, I think you would find that Czechoslovakia's condition came close to that of a NATO country, that the army of Czechoslovakia was stronger than Hungary's army.

[Fur] Quite obviously, this too plays a role, and so do some other considerations. The fact is that from a qualitative standpoint there was no difference between the military technology of the two countries, because the military technology of both countries was of Russian origin. In quantitative terms the Czechoslovak Army was substantially stronger than ours. For example, the Czechoslovaks had far more tanks than the number justified on the basis of the geographical or population size of that country. This also applied to Czechoslovakia's Air Force.

[Balassa] Finally, let me ask how you perceive the possibility of Slovak-Hungarian military cooperation?

[Fur] Frankly, we would like to see a situation in which the close contact that evolved during the past two or two and a half years between Poland, Czechoslovakia, and Hungary, i.e, the Visegrad-3, would continue, or could be further developed. This close cooperation did not evolve only in terms of political and economic relations; in the previous era contact had also been maintained between the Polish, Czechoslovak, and Hungarian military leadership, from the defense ministers down to soldiers. This cooperation was initiated and reinforced in those days by Mr. Dobrovsky, and remained normal under Minister Andrejcak. We would like to continue this relationship at the same level as before. This is what we would like to see, but we are not the only ones on whom this depends!

Legislators, Polish Delegates Discuss Cooperation

LD1802191893 Warsaw PAP in English 1828 GMT 18 Feb 93

[Text] Budapest, Feb. 18—A delegation of the Polish-Hungarian section of the Sejm Inter-Parliamentary Union on Thursday [18 February] ended its visit to Budapest designed to discuss economic, scientific, cultural and educational cooperation between the two states.

Members of the delegation held talks with their Hungarian counterpart, representatives of economic and cultural committees of the Hungarian parliament and officials managing the Hungarian privatization process.

The sides discussed the possibility of launching a joint Polish- Hungarian cultural foundation, issues related to supporting contacts between entrepreneurs of the two countries and the establishment of a joint bank.

Csurka Outlines Goals of New Movement

AU1802141993 Budapest MAGYAR HIRLAP in Hungarian 15 Feb 93 p 3

[Interview with Istvan Csurka, member of the Hungarian Democratic Forum presidium and founder of the Hungarian Way Foundation, by Pal Szombathy; place and date not given: "We Have a Great Opportunity To Exercise Political Pressure"]

[Text] The organizations of the Hungarian Way must be established within weeks or months, says Istvan Csurka, "father" of the movement. He said that he has not seen much change in the Hungarian Democratic Forum [MDF] since the national meeting. The goal of the Hungarian Way is to adjust the coalition strategy. Csurka also said that he could identify with the notion that certain groups of people should be excluded from the Hungarian Way.

[Szombathy] In your view, has the MDF changed since the national meeting?

[Csurka] I cannot see much change in the MDF. I have been occupied with the Hungarian Way in recent weeks, and I can say that the movement has made a start which makes me happy. Our goal is to influence the MDF. I hope that this change will take place.

[Szombathy] It has been said that the coalition should be convinced to go together with you on the Hungarian way. How can the government parties be convinced to do this?

[Csurka] If a movement such as the Hungarian Way is intended to be is organized and filled with the necessary power, then it certainly has a very substantial chance to exercise political pressure. Naturally, we want to implement this through legal and constitutional means—also respecting the so-called European norms.

[Szombathy] How much time will you need to organize the groups and to begin the fact-finding work urged at the meeting which is to "wake up the Hungarians?"

[Csurka] It is certain that we are already late. We are doing all we can to put the Hungarian Way organizations into operation in the shortest possible time. It would be stupid to assign a deadline in this kind of situation. One thing is certain: we are only talking about weeks or months.

[Szombathy] You have spoken considerably about freedom of the press. I am interested in what aspects your views differ from [Prime Minister] Jozsef Antall's on this issue?

[Csurka] I do not think that we have many differences on this issue. Freedom of the press is ensured by law, although unfortunately, abuse of this freedom is also present under cover of these laws. The two notions are very different from each other. I do not oppose press freedom, because there is no one in the world who would do that. I will always oppose abuse of freedom of the press, however.

[Szombathy] You called the stopping of the "pseudo-liberal-communist amok-running" a vital issue of Hungarian life. How can this be carried out?

[Csurka] By being on the watch.

[Szombathy] Could you expand on this?

[Csurka] It is not necessary. Whether you like it or not, this is a metaphor. Only nonsense would come out of it if I said anything more about this.

[Szombathy] Does the Hungarian Way have to monopolize the MDF? How is it possible to adjust the coalition's policy?

[Csurka] Our goal is the adjustment, namely the adoption of the correct political direction, rather than monopolization.

[Szombathy] Will your movement have its own course in the 1994 campaign? How is it possible to make the candidates for parliament take an exam in being Hungarian?

[Csurka] We question and observe the candidates. We invite them to our meetings and to our groups and have a conversation with them. We have a common language. Whether we will have our own way or not, all I can say is that we will certainly not support the other side.

[Szombathy] Similarly to the Democratic Charter, the Hungarian Way is a civil initiative of the citizenry. What is the difference in their character?

[Csurka] In my view, the similarity is superficial. I know about a demonstration organized by the Charter and many signatures. The Hungarian Way wishes to be a movement that wants to act visibly and has a fact-finding program for culture, social issues, justice, and sociology. The Hungarian Way wants to be engaged in politics and to be creative.

[Szombathy] In your view, is the government progressing toward "historical construction?"

[Csurka] Yes, but without enough determination.

[Szombathy] What kind of urgent decisions would be needed to change direction?

[Csurka] The original program of the change of the regime should be implemented with much more determination. At our meeting on 13 February, two areas were definitely in the foreground, namely the land issue and the issue of financial institutions and big banks.

[Szombathy] In his speech, Andras Balczo mentioned that certain groups should be excluded from the Hungarian Way. He mentioned actual characteristics, namely those who deny God, freemasons, and homosexuals. Can you identify with this proposal?

[Csurka] Naturally I can identify with it, and I agree with it.

Editorial Views New Movement

AU1802181193 Budapest NEPSZABADSAG in Hungarian 15 Feb 93 p 3

[Gabor Miklos editorial: "Csurka's Banner"]

[Text] Well, they have stepped on it. I do not mean on the Hungarian way, because whether you like it or not, 10 million of us are walking on that anyway. They have stepped on the road of forming a party. Although the founding father said that they should refrain from this formal step because they would then be labelled as extreme right wing, it has happened nevertheless. What does one need to form a party?

Ideally, one needs a program. Mr. Csurka and his team have long formulated this in their works and articles. One needs followers. On Saturday [13 February], the head office of the construction workers [place of Hungarian Way national meeting] was filled with enthusiastic and devoted followers; many people came from the far corners of the country, and the number of supporters is certainly higher than the size of the vanguard who gathered here. Money is also needed. As far as we know, many millions of forints have already been paid into the Hungarian Way Foundation. Organizations will also be needed. At the Saturday gathering, the speakers thoroughly disclosed that they want strictly organized, somewhat basis-democratic organizations that are built from the grass roots, but that are strictly centralized. (The guiding principle is also alive here.) One speaker said that the Hungarian Way will operate as a news agency, gathering and disseminating information. We also heard that the MU [Hungarian Way] will want a say in selecting prospective deputies, and it wants to be heard every week or even more often in telecommunications.

A party also needs enemies. The observer was sometimes embarrassed because it seems that now the arch-enemies are the "liberals" and the "press," rather than the communist nomenklatura. It was not difficult to understand Csurka's figurative speech when he, for example, said that "the liberal scythe has never cut anything." This is something like the Bolshevik hammer or the national conservative knuckle-duster. Criticism of the government was not missing, either, and we heard that the group had given maximum allowances. Actually, in today's world, it is difficult to expect political successes if one is a vehement government supporter. Therefore, this quasi-party is in opposition.

The party has a charismatic leader and holy innocents. They were also sitting in the presidium, in the box of honor, as was customary at former congresses in this room. The team has only loosely been formed and now it firmly stood under Istvan Csurka's banner. It is interesting that they continue to be afraid of being labelled as extreme right wing while they keep dishing out descriptions of others. However, they are on the edge of the political palette, together with their followers dressed as undertaker assistants, the young skinheads whose hair is beginning to grow. This is true even if this camp is abundant with references to democratic and popular traditions. However, so many nice ideas, pure people, and resounding verses have been monopolized and privatized here in the past!

The question, of course, is how long this camp will remain in the big government party troop. Will they leave it? They would hardly like to do that just now because the right-wing pressure has a bigger force this way, with one foot inside, and with its own crowd that can be mobilized, and with the information and news chain it possesses. Therefore, in the near future, we can expect Csurkism to organize itself within the MU while it also tries to implement the political option within the Hungarian Democratic Forum. This is a radical, xenophobic, and autarkic way. Sometimes it calls itself a third way movement, sometimes Hungarian. It is not.

Military Industry Leader on Current Situation

AU1802190393 Budapest NEPSZABADSAG in Hungarian 16 Feb 93 p 5

[Interview with State Secretary Jeno Laszlo, chairman of the Military Industry Office, by Zsuzsa Regos; place and date not given: "Being Hungarian Is an Ideological Notion—Jeno Laszlo: I Was Not Invited by Anyone"]

[Text] "No one invited me or asked me to make a speech. However, I have a task—namely, I have to ensure the industrial background necessary for the operation of the independent Army. For this reason, I use every forum where people with Hungarian sentiments and national consciousness are present to inform them about the current conditions and development needs. I would say the same in front of the reprsentatives of the Alliance of Free Democrats or the Hungarian Socialist Party." This was Jeno Laszlo's reply to our question of why he considered it important to make a speech at the first congress of the Hungarian Way circles.

[Laszlo] The Hungarian Army has to be reformed and every Hungarian citizen, family, and young person can contribute to this. The academies and officer training schools of the Army need well-educated Hungarian children who are guided by patriotic sentiments because the Army cannot exist without these.

[Regos] This is clear. However, at this forum, it has also been said that everyone has to take an exam in being a true Hungarian. How are we to interpret this?

[Laszlo] In a democracy, people say what they like. I believe that Hungarian people are wise enough to put such statements in their places. Extreme views appear everywhere but, as I see it, these are not what characterize the Hungarian Way Foundation.

[Regos] What are your views on the domestic background of the military industry and the situation of the industry?

[Laszlo] In my view, the situation is encouraging. I feel that we managed to make the industry politicians and the managers of national assets understand that we need to create a structure to produce military technology equipment which is closely linked to civilian production. We will soon make an agreement with the State Asset Management Inc. that it will provide the means for the Military Industry Office with which it can develop the existing professional expertise and intellectual capacities.

[Regos] What is the proportion of imports and domestic consumption in the supplies of the Army?

[Laszlo] Imports are only enough for maintaining the existing level. However, Hungarian industry can also produce some of these. The government has accepted the long-term military technology development concept. Based on this, the producers can prepare for manufacturing, for example, vehicles, telecommunications equipment, and certain antitank and air defense units. The development plan will be discussed by the government in July.

Government Approves New Television Statutes

LD1802202293 Budapest Kossuth Radio Network in Hungarian 1700 GMT 18 Feb 93

[Text] At today's meeting of the government the organizational and operational statutes of Hungarian Television have been approved.

Accordingly, the offices of intendants and producers will be abolished, which tripled the number of people involved in upper level leadership. The system of artistic workshops will be restored. The statutes will be put into force together with guidelines relating to the creation of programs which are based on European ethical norms, and a supervisory committee of third party scientific and artistic professionals will be set up. The principles in connection with which the parties came to an understanding over the course of the preparations of the Media Law have been built into the organizational and operational statutes. State Secretary Tamas Katona has announced that Prime Minister Jozsef Antall will also put forward a proposal regarding the presidents and vice presidents of Hungarian Radio and Television. The government will earmark 350,000 million forints extra subsidy to radio concerning its additional tasks: for example, the resumption of foreign language programs. The government will also examine the issue of how much money is needed for modernization.

Strikers Demand Elections, Deputy Punishment

LD1802221693 Warsaw Radio Warszawa Network in Polish 1700 GMT 18 Feb 93

[Text] The General Directorate of State Railways has proclaimed today's half-hour strike action on the territory of the Silesian District Directorate of State Railways [DOKP] to be illegal in view of the regulations of the law.

The deputy of the Director General of the Polish State Railways [PKP], Henryk Pawlowski, declared that the allocation of means for remunerations, questioned by the Solidarity unionists, found no confirmation in fact and that the strike had been resumed despite the fact that demands had been met.

A 24-hour strike action began at 0600 hours by miners from the Silesian hard-coal mines. The strike was joined by five steelworks. The protest action at the Katowice Steelworks consisted of work being suspended at midday for an hour in all departments except those where continuity must be upheld [ruch ciagly].

Representatives of 180 enterprise commissions of the Lower Silesia Solidarity demanded that those members who had voted for the adoption of the government draft budget law or had abstained should be expelled from the parliamentary floor group of the union.

The statement issued by the regional board says that the Union will not tolerate such stands as breaking its statute—of which a manifestation is not conforming to the resolution of the National Commission of Solidarity.

Representatives of the enterprise commissions of Solidarity of the Lower Silesia Region are also demanding that earlier parliamentary elections should be held without delay and that there should be a vetting and a decommunization of all structures of political and economic life in the country.

Miners End Strike

LD1902110593 Warsaw PAP in English 1015 GMT 19 Feb 93

[Text] Katowice, Feb. 19—Following a 24-hour warning strike in over twenty Silesian mines launched on Thursday [18 February] against changes to the regulations on joint taxation for spouses, miners of the shift from all striking collieries resumed work on Friday, dispatcher of the state coal agency has announced.

Walesa To Veto Budget if Miners Not Considered

LD1902090193 Warsaw PAP in English 0836 GMT 19 Feb 93

[Text] Warsaw, Feb. 19—Presidential Spokesman Andrzej Drzycimski on Friday [19 February] morning said that President Lech Walesa will not sign the 1993 budget law if it does not take into consideration expectations of striking Silesian miners.

Miners from over twenty Silesian mines on Thursday staged a 24-hour warning strike to put pressure on the Senate (Upper House) in the wake of a Friday vote on the income law, already passed by the Sejm (Lower House). Miners expect that the new law would lower their family incomes.

Walesa's Role in Budget Debate Analyzed

AU1802191793 Warsaw RZECZPOSPOLITA in Polish 15 Feb 93 pp 1, 2

[Article by Kazimierz Groblewski: "What Lech Walesa Wants"]

[Text] To understand what the president has been doing over the past few weeks, what has to be remembered above all is that the president's popularity is declining and that he himself feels that he "is paying someone else's bill."

Lech Walesa has unexpectedly begun to wrestle with the parliament. This is a consequence of Jaroslaw Kaczynski's campaign against the Belvedere and one that he did not really foresee. The first was the president's letter to Sejm Marshal Wieslaw Chrzanowski, in which Lech Walesa reproached deputies for conduct not worthy of their immunity.

"Is the Sejm Presidium capable of taking legal steps regarding those deputies who, instead of employing the forum of the Sejm, take disputes into the streets?" he asked. In reply, Wieslaw Chrzanowski reminded the president that "the marshal and the presidium organize the work of the Sejm and they have no means of applying disciplinary measures against deputies in their roles as citizens and politicians acting outside the Sejm." The exchange of correspondence did not have further repercussions.

It is possible that the president was irritated by the fact that the Sejm Budget Commission had reduced the funds available for repairs to the Namiestnikowski Palace, to which he wants to move once repair work is completed. "Blocking the budget for the Namiestnikowski Palace is a scandal on the part of this parliament," said Lech Walesa at Wednesday's [10 February] meeting of the "Solidarity" Parliamentary Club.

Two days before that, the president had a meeting with Prime Minister Hanna Suchocka at the Belvedere. It was expected that the main item of news to emerge from the meeting would be how the president viewed the candidate proposed for the post of culture minister. At the beginning of the conversation (the beginning was filmed by the Belvedere television team), the president told the prime minister: "If there is not a budget, I will dissolve the parliament." The question of the culture minister ended up much further down the agenda, and not even all the papers noted that the president approved Jerzy Goral as the candidate.

By threatening to dissolve Parliament, the president struck its weakest spot. The Sejm passed the budget, but it is hard to determine precisely whether and to what extent, the pressure applied by the president had an effect. However, if Lech Walesa had not threatened Parliament, then he would not have had a part in the governing coalition's victory. Now he can pick some of the laurels for the coalition winning that difficult vote, and if he wants to, he can believe that the Sejm gave into his pressure. Politicians who are very hostile toward the president talk about the satisfaction that Walesa feels at having humiliated parliament.

But even some of them think that the president made a wise tactical move. If the Sejm had not passed the budget and the president had done what he said he would do, then he probably would have gained from it as being the person who sent the "freeloaders" packing. The resolve behind that move could have won him back some of those voters who have become disenchanted with him.

Lech Walesa has for some time diverted the attention of public opinion away from his person and toward the Sejm. Perhaps he has gained even more. The new government bill on the Office for the Protection of the State [UOP] states that the prime minister has to consult the appointment of the chief of the UOP with the president. Perhaps it was a coincidence that the president's announcement about dissolving parliament (and thus defending the government's draft budget) came as the government granted him powers with respect to the UOP, but, for example, one hears it said among Center Accord deputies that the president that by bargaining with the government.

Lech Walesa has recently supplied people who do not like him with grounds for making up jokes about his presidency. He sent a letter to Justice Minister Dyka, urging him to provide an explanation as quickly as possible of "the economic scandals that are shocking society," where as the minister is on a forced vacation until the end of February. "I cannot and do not want to keep on paying other people's bills," wrote the president. The president's bad break only appears to be that at first sight. In addressing the letter to the absent minister and not to the person who is performing his duties, Lech Walesa has indicated that he wants Zbigniew Dyka to return to his duties following his vacation. In this way, the president has also achieved a second goal: He has made up to the Christian-National Union for his "mistake," that is, disagreeing to the appointment of Professor Zbigniew Klajnert to head the Ministry of Culture.

Lech Walesa confided in deputies in the "Solidarity" Club that he planned "to be more of a president" this year, "in line with the will of the nation"—"I will change my suits a little because I have already been wearing them for three years"(...). He said that he intended to give a television address every month. "But will they let me," asked the president.

"I have thought up an entire concept," he said at the same meeting. "If you listen to me, and pass the budget, then I will ask you: What about my program? Why is it not being realized? The president's popularity is falling. I do not want to carry on paying other people's bills."

Following a period in which he was clearly on the defensive, during the anti-Belvedere campaign whipped up by the Center Accord, the president has now become more active. What does he want to achieve? He wants to divert the attention of public opinion away from the charges that are being leveled at his office, at himself, and his colleagues, and direct that attention toward Parliament and then toward the government—that is what the president's opponents maintain. He supporters defend him, saying that he wants to stabilize the situation in the state.

Of course, the effects of what the president does will be more important than the causes. For the time being, one can observe that the president is concerned about his declining popularity (he talked about that at the meeting with "Solidarity" deputies), that he does not believe it to be his fault, ("I do not want to keep on paying other people's bills"), and that for some reason, he has become very concerned about changing his negative image.

Senate Committee Passes Budget

LD1702140593 Warsaw PAP in English 1308 GMT 17 Feb 93

[Text] Warsaw, Feb. 17—The Senate (Upper House) Committee for Territorial Governments and State Administration on Wednesday [17 February] decided to approve the 1993 budget law in the form passed by the Sejm (Lower House) last week.

Accident Postpones Suchocka-Krzaklewski Meeting

LD1702151593 Warsaw PAP in English 1249 GMT 17 Feb 93

[Text] Warsaw, Feb. 17—A meeting scheduled for Tuesday [16 February] morning between Prime Minister Hanna Suchocka and "Solidarity" Chairman Marian Krzaklewski was postponed, following an accident involving the "Solidarity" leader's car.

Krzaklewski's car skidded out of control in icy road conditions early on Tuesday at Plonsk (60 km. northwest of the capital). According to a message telephoned to the Cabinet office from his secretary, no one was injured in the accident.

The meeting, involving "Solidarity" officials representing public-sector workers, Labour Minister Jacek Kuron, and Finance Minister Jerzy Osiatynski, went ahead as planned. The prime minister attended the first part of the meeting, which comes after union leaders last week declared a state of collective dispute with the

government, because of "a lack of will on the part of the government to respect existing laws and obligations already undertaken."

Krzaklewski finally arrived at the Cabinet office shortly before 1300 hrs (Polish time). A time has not yet been fixed for his meeting with the prime minister.

Finance Minister Discusses Newly Adopted Budget

WS1802145393 Warsaw TVP Television First Program Network in Polish 1855 GMT 16 Feb 93

["Seven Minutes for the Minister of Finance" with Finance Minister Jerzy Osiatynski—live or recorded]

[Text] Minister Jacek Kuron has kindly agreed to let me be your guest tonight. I would like to talk about a few issues related to the budget, which was adopted last week.

This 1993 budget is of concern to many of you. What are the main sources of these concerns? Some of you, persons working in the state budget sphere, are concerned about whether you will receive salary raises this year. Yes, these raises will take place. We have earmarked almost 14 trillion zlotys from the 1993 budget. The raises will be given twice throughout the year: in April and in September. On average we have allocated 360,000 zlotys a month. As I have said, the first of these raises will take place in April and the other in September; and therefore, the latter will be larger than 360,000 zlotys. I think that the first raise will be on the order of 300,000 zlotys, and the second one approximately 450,000 zlotys.

We had planned for these raises to ensure that throughout the year, the pay increases in the budget financed sphere would keep up with the pay increases in the plants that rely on their own profits. Since we do not know, however, how fast the pay in plants will grow, we have stopped the automatic linking of the wage growth rate in plants with the salaries of teachers, physicians, and the whole budget financed sphere. It is important to realize that the budget will only have as much money as can be collected through taxes, and this must be enough for salary hikes.

Another big social group that may feel concerned about the decisions related to the budget are pensioners. Their pensions and annuities will be based not on 100 percent, but on 91 percent. [sentence as heard] This applies, however, to all persons receiving pensions and annuities, except those who receive minimal payments. These pensions and annuities will be based on 100 percent, just as they have been in the past. Thus, the material situation of the poorest pensioners will not deteriorate. It is certain, however, that pensioners will get raises. I repeat: they will get raises, but they will be a little lower than they would be if the compensation were 100 percent.

Why did we have to make these decisions? First of all, and I have to say it firmly, the decisions were very difficult also for the government. We have made them, however, because, in the budget, just as in every household, the incomes are determined by the earnings of each of us. If we want the expenditures to be bigger than the receipts, we can finance them only through loans. These loans determine the size of the budget deficit. Can we spend more money? Yes, we can, if we force the central bank, the National Bank of Poland, to print more banknotes. But then, it is empty money. These empty printed zlotys entail additional price hikes. Such additional hikes mean an inflation tax, which is paid by everyone, the poor and the rich alike. However, the poor are usually more badly stricken by inflation than the rich. This also entails higher interests on loans for farmers, for entrepreneurs, for all those who are building their houses, for everyone. And this, in turn, means that the condition of the economy is poorer, and consequently, there are fewer opportunities for additional employment, or in other words, more unemployment. This would mean in reality, a collapse of the economic revival processes, which we, as the first country to undergo the process of transformation, have been implementing. And finally this would mean that the Polish economic program, which has been under way for over two years, would lose its credibility. And if we lost this credibility, then after increasing the empty money circulation by an additional 20 trillion zlotys, we would lose perhaps as much as 200 trillion zlotys; we would lose the possibility of financing our recovery from foreign loans, from the money of the International Monetary Fund, of the World Bank, and other external sources.

This underlies these difficult but necessary decisions for 1993. We hope that in 1994, these decisions will no longer be needed. Thank you very much.

January Production Figures Show Sharp Drop

LD1802231393 Warsaw PAP in English 2146 GMT 18 Feb 93

[Text] Warsaw, Feb. 18—Industrial output sold was down 10.5 per cent in January compared to December according to Halina Dmochowska from the Department of Data Analysis at the Main Statistical Office (GUS). The decrease for the construction industry was 39.7 per cent.

Dmochowska stressed that apart from the fewer number of working days in January the settling of the end of year financial accounts by enterprises had influenced the figures.

Average net pay fell by 14.2 per cent over the same period, or 17.6 per cent in real terms. Real wages were 5.4 per cent lower than January last year.

Pensions and welfare benefits fell by 3.7 per cent in real terms between December and January, but rose 5.6 per cent compared to January last year.

The budget deficit for January was about 7.7 trillion zlotys (481 million dollars).

Meanwhile the Central Planning Office (CUP) polled 137 enterprises in January and found that production had increased less than in previous months. This was explained by the seasonal limitations on economic activity at the end of the year.

Only 10 per cent of the enterprises foresaw a production decrease in February.

Sejm Committee Discusses Martial Law

AU1702095893 Warsaw PAP in English 1637 GMT 16 Feb 93

[Text] Warsaw, Feb. 16—Speaking at today's meeting of the Sejm (lower house) extraordinary committee investigating the impact of martial law, chief of the Military Information Service (WSI) General Boleslaw Izydorczyk said he would examine the WSI archives to find out what were the activities of military special services during martial law in Poland in the early eighties.

However, the general told the committee that the picture that would emerge from the examination of the documents may be incomplete because part of these documents was destroyed in 1989.

Izydorczyk was unable to answer a question from the committee chairman Bogdan Borusewicz about the role of military special services in anti-opposition operations during the martial law period.

According to WSI senior officer Colonel Lucjan Jaworski, military counterintelligence did not take part in the preparations for martial law. Military counterintelligence only investigated the threats posed by the civilian circles to the army.

Jaworski admitted, however, that the political secret police (SB) had often used the identity documents of military counterintelligence officers in operations against the opposition. These documents were prepared for them under routine cooperation of both sectors.

Representatives of the Ministry of Health said there are no documents surviving that could confirm whether the death rate had increased immediately after martial law was imposed on December 13, 1981, but they disclosed that a year before martial law the minister had issued a secret instruction establishing the principles of health service organization in case of a "special situation."

Indictments Served in Debt Servicing Fund Fraud

LD1802183593 Warsaw PAP in English 1700 GMT 18 Feb 93

[Text] Warsaw, Feb. 18—Indictments against six persons accused of fraud and embezzlement against the Foreign Debt Servicing Fund (FOZZ) were presented on Thursday [18 February] by the Warsaw Prosecutors Office to the Warsaw Provincial Court, spokesman for the Warsaw Prosecutors Office Mariusz Chudzik announced.

The main defendant, Grzegorz Z., former director general of the FOZZ is charged with the embezzlement of over 24 billion zlotys (around 1.7 million dollars) and exceeding his duties thus causing over one trillion zlotys (71.5 million dollar) losses to the State Treasury.

Janina Ch., the funds former deputy director, faces similar charges, including that of embezzling 14 billion zlotys.

Three other persons, members of the FOZZ supervisory board are accused of lack of supervision over the funds management. The sixth defendant is Krzysztof K., a businessman, charged with the embezzlement of 83,000 Deutsche mark belonging to FOZZ.

Investigation against four other persons suspected of being involved in the FOZZ scandal will be continued, Janusz Kalwas of the Warsaw Prosecutors Office said.

Melescanu, Christopher Exchange Messages

AU1702143193 Bucharest Radio Romania Network in Romanian 1100 GMT 17 Feb 93

[Text] During the weekly news conference of the Ministry of Foreign Affairs, spokesperson Mrs. Simona Miculescu announced that an exchange of letters had taken place recently between Mr. Teodor Melescanu, state minister and minister of foreign affairs, and Mr. Warren Christopher, U.S. secretary of state.

After extensively presenting the new U.S. position on solving the conflict in former Yugoslavia, Mr. Christopher's letter emphasizes that all sides concerned must acknowledge that the conflict should be solved at the negotiating table, and then describes how U.S. diplomacy wants to get involved in this process.

As reported by our reporter at the Ministry of Foreign Affairs, the letter emphasizes the importance of continuing efforts to ensure observance of the embargo against the FRY, including on the Danube, and stresses the American side's intention to have consultations with Romania, along with all the Danube states, to improve the application of the sanctions and offer technical assistance through the assistance mission.

The response by the Romanian minister of foreign affairs emphasizes that Romania's government welcomes and appreciates this new attitude of the United States in connection with the conflict in former Yugoslavia, and expresses Romania's concern about the conflict. The response also expresses the Romanian side's desire to contribute—both by adopting measures on the observance of the embargo on the Danube and through diplomatic efforts—to the efforts by the United Nations, the EEC, and the United States to achieve an equitable agreement acceptable to all the sides involved in the conflict.

Iliescu on Minority Issues, Mideast Region

AU1702141393 Bucharest DIMINEATA Supplement in Romanian 13-14 Feb 93 pp 1, 2, 3

[Interview with Romanian President Ion Iliescu by unidentified reporter from Abu Dhabi's AL-ITTIHAD; place and date not given: "We Are Striving To Consolidate Our Internal Stability and Be a Positive and Constructive Element for Stability in Our Region"]

[Text] [AL-ITTIHAD] Thank you, Your Excellency, for the opportunity to meet with you. I am grateful for this interview granted to United Arab Emirates [UAE] newspaper AL-ITTIHAD. Of course, I hope you will be kind enough to answer a few questions. How do you assess the relations between UAE and Romania, and what efforts and initiatives are you undertaking to give further impetus to these relations?

[Iliescu] First of all, I would like to say that we are interested in developing our bilateral relations and we believe that this interest is mutual. We have followed with keen interest the spectacular economic development registered by the UAE, both with regard to the utilization of such valuable resources as the oil in your region and to the financial inventiveness shown by the businessmen in your region and in the development of a legislative framework which facilitates foreign investment, something which gave further dynamism to this development. As far as bilateral relations are concerned, new possibilities were created after the December 1989 revolution and we welcomed the interest shown by both sides in developing direct relations, which took concrete form in the establishment of diplomatic relations with the Emirates and in reciprocal visits by officials from both countries. We hope that these relations will be fruitful, particularly in the economics field. Likewise, we are looking forward to a high-level meeting, either in Abu Dhabi or Bucharest. We hope to be able to mark such a moment this year. Last year's meeting of the Romanian-UAE joint economic commission emphasized both the opportunities and the mutual desire to develop bilateral relations, by outlining ways and means of action of achieving this goal.

[AL-ITTIHAD] Proceeding from that, Your Excellency, do you plan a visit to the UAE to meet with Shaykh Zayid Bin-Sultan al Nuhayyan, the federation's president, in order to stimulate bilateral relations?

[Iliescu] I wanted and I suggested such a visit. I hope it will take place next spring.

[Al-ITTIHAD] Mr. President, a few words, if you will be so kind, about Romania's achievements since the December 1989 events. Of course, we would like you to tell us how you see the new presidential mandate you began after last fall's elections and what your plans are.

[Iliescu] The three years since the December 1989 revolution have radically changed the face of our society, primarily in politics and in regard to civic rights and freedoms. We moved from a totalitarian system to a democratic society based on modern principles, which are also reflected in the country's new Constitution. At the same time, we proceeded from a state centralized economy to a market economy. Although we have made important steps in this direction, the transition process has nevertheless proven to be more difficult than anticipated. It also requires more time, which means implicit social costs that affect people's lives. Still, we are determined to consistently proceed along the same line. This pertains both to further developing specific legislation and to creating the institutional framework and improving the specific levers of the market economy. This process is encumbered by international circumstances that are hard on us, namely the disappearance of important raw material resources and energy that we have to import and the disappearance of certain traditional markets. In this respect, I am referring to the CEMA countries, particularly Russia, but also to the effects of the Gulf crisis and the Yugoslav crisis now. All these factors have led to decreased industrial production and an increase in such negative measures as inflation

and unemployment. Therefore, we are trying to diversify our economic relations in order to support our recovery effort and to relaunch the national economy.

[AL-ITTIHAD] You mentioned the fact that Romania was affected by the Gulf war, which, for your country, had effects similar to those imposed by the Yugoslav crisis. Mr. President, can you give some details of this crisis that affects Romania, both with regard to the Gulf and Yugoslavia?

[Iliescu] The Gulf meant primarily a large debt owed to us by Iraq, almost $2 billion, that we can no longer collect. We also lost important partners, such as Iraq and Kuwait, from whom we received large quantities of oil which we paid for with industrial products exported to those important markets. Today, we are working at half of our refining capacity, due, among other things, to the reduction of oil imports from Russia and the Gulf region. The same applies to Yugoslavia, a neighboring country with which we had very extensive economic relations, including extensive production sharing ventures, which we had to interrupt suddenly. This means a direct loss of more than $500 million in one year alone, to which one should add several other collateral effects, which further amplify the losses. Now, for instance, commodity traffic on the Danube has been hampered. The effects are quite widespread, not only in direct relations with Yugoslavia, but also with other countries upstream along the Danube: Hungary, the Czech Republic, Slovakia, Austria, and Germany.

[AL-ITTIHAD] Certain news agencies and newspapers claim that Romania is nevertheless supporting Serbia in the confrontation with Bosnia and Hercegovina. What is your position on that? Do you not think that this might have a negative impact on Romania's relations with the Arab and Islamic countries?

[Iliescu] Such statements are groundless because from the very beginning, we supported all measures regarding the embargo and despite the negative economic consequences for us, we ceased all direct relations. You are familiar with the latest events regarding the barges which now are held back at the Iron Gates dam. They could not be stopped by force in other areas... The reports of military assistance or other deliveries to Serbia are false, however, and the observers of European organizations and the United Nations have confirmed this. They have confirmed that Romania strictly abides by the embargo.

[AL-ITTIHAD] Mr. President, proceeding from what you say, how do you view the prospects of settling this crisis in the former Yugoslavia and especially the confrontation between Serbia and Bosnia-Hercegovina, especially when bearing in mind that there is a war, a conflict with consequences at wider levels as well as at the local level?

[Iliescu] We believe that the only solution must be political. Fanning the tension that exists—no matter on which side—and making efforts to solve the conflict militarily just complicate things. It is a pity that the basic constitutional principle of consensus among the three components of society was not borne in mind in Bosnia.

[AL-ITTIHAD] Mr. President, let me ask you another question. What is the state of relations with Hungary, particularly when considering the problem of the Hungarian minority in Romania? What is the situation of Romania's relations with Moldova, bearing in mind the problem of Russian interference in the Transdniester crisis?

[Iliescu] As far as relations with Hungary are concerned, we hope that a realistic approach to all problems connected with bilateral relations will help us overcome certain difficult moments because we believe that common interests will prevail over differences in opinion. As far as the problem of minorities is concerned, this is a problem concerning all countries. Similar to the Hungarian, and not just the Hungarian, minority in Romania—we have 14 ethnic minorities representing 10 percent of the population—there is a Romanian minority in Hungary. Minorities in Hungary also represent 10 percent of the population. As a matter of fact, there is no European country without ethnic minorities. Each country has approached this issue by bearing in mind historic traditions and its own political context. There are countries which view this issue in a much simpler way—the minority living in the given country has to abide by the country's general regulations and speak the language of that country. The problem of treating minorities differently than its other citizens is not raised. We, on the contrary, try to ensure facilities so that minorities may affirm their ethnic and national characteristics. We are one of the few European countries where the 14 minorities among the population are represented in parliament. There is no such thing in Hungary. By the same token, we ensure education in their mother tongues, especially for Hungarians, who are the most numerous minority. They represent 7 percent of our population and have their own schools in Hungarian—from primary school through higher education—and extensive opportunities to use their mother tongue in every area of social activity. Thus, we believe that the problem of minorities depends on the development of the political, economic, and social situation in each country and that, within the context of the democratic developments in our country, conditions have been created and continue to be created to ensure the affirmation of their identity. The minorities issue is also part and parcel of personal rights and freedoms in general. Our practices even exceed the norms accepted by other European states, regarding the observance and promotion of the interests of ethnic minorities.

[AL-ITTIHAD] Is it known that the Hungarian minority in Romania is demanding autonomy?

[Iliescu] This is an unrealistic demand because the Hungarian minority is not concentrated in one area, but rather is dispersed throughout the country. It represents 1.7 million of the 23 million residents in our country.

There are only two counties in the center of our country where they represent the majority of the population.

The autonomy principle has been solved on the basis of the law on local administration. I am speaking of the administrative autonomy of localities and counties, namely the administrative structures of the nation state. This is not the same as ethnic-administrative autonomy, which would entail completely nondemocratic practices that would harm the Hungarian minority first and foremost because it would isolate this group from the rest of the population in the given area. This would mean a sort of Bantustanization. This is a nondemocratic principle which was opposed at the international level and which has nothing in common with the democratic principles developing in Europe today.

[AL-ITTIHAD] It is known that the Balkan area is facing a number of problems—economic, sociopolitical, and ethnic ones. Certainly, these problems are linked to the collapse of the totalitarian communist system. What role does Romania play and how does it view a return to normalcy in the Balkans?

[Iliescu] What is at stake is not only the Balkans, but the unrest in this entire region of Europe. In the Balkans, the source of tension is Yugoslavia. Tension, however, which is no less serious, also exists in the former Soviet Union. Unfortunately, we are located in an area affected by such tensions coming from both directions. What we mainly strive to do is to consolidate our internal stability and to be a positive and constructive element of stability in our region. For this purpose, we try to avoid involvement in this tension and confrontation and to contribute, as much as possible and as much as we are capable of, to a balanced political approach to this process. We also try to develop normal relations with all our neighbors. At the same time, we try to cooperate and support the efforts made by the international and European communities toward seeking political solutions.

[AL-ITTIHAD] Mr. President, we would like to hear your opinion about developments in another area that is a source of tension, namely the Middle East conflict. You have surely followed developments, including the peace conference. In your opinion, what are the prospects of solving this conflict, bearing in mind the latest actions by Israel, particularly the expulsion of Palestinians from the occupied territories?

[Iliescu] Romania has always tried to be a factor for harmony in this respect as well. Certainly, our means and influence are modest, but we have tried to maintain positive relations with both sides in this conflict and we greeted the efforts aimed at creating a framework for a peace solution. We have also greeted the efforts made by the states in that area to create a normal framework for solving these problems. We were concerned about this radical action taken by Israel, namely the expulsion of Palestinians, something that affects the positive steps made lately and aimed at promoting the peace process. We hope that reason will eventually prevail and that a solution will be found, because it is first and foremost the peoples in that area who suffer if tension continues.

[AL-ITTIHAD] News is being circulated according to which Romania has elaborated a new plan for the emigration of Jews to Israel. What is the situation in that respect?

[Iliescu] The Jews represent such an extremely small minority in Romania now that their emigration would not pose any problems.

[AL-ITTIHAD] It is known that Romania has made efforts to establish diplomatic ties with Saudi Arabia, which is an important country in that area. Why has that goal not been accomplished so far?

[Iliescu] Due to sluggishness. There are remnants of the prejudice against Romania, because—were it not for that—Romanian society has undergone such changes that no such restraint is actually justified, and we hope to be able to take steps together in order to establish diplomatic ties. During the Gulf crisis, when our representative was acting president of the UN Security Council, he cooperated in a most amiable way with the Saudi Arabian representative. We hope that this year we will open up toward each other, to our common benefit.

[AL-ITTIHAD] Mr. President, now that President Clinton has taken over the leadership of the American Administration, do you think that Romanian relations with the United States will be revived, that they will broaden?

[Iliescu] Considering the realism of the thoughts expressed by President Clinton, as well as the continuous improvement over the past three years of our bilateral relations with the United States of America, we hope that this will take place. It is our belief that this administration of Democrats, who are better represented in Congress, will take concrete steps to widen and bolster our direct relations.

[AL-ITTIHAD] It is well-known that during the 1980's the Romanian leadership in those years decided to repay all foreign debt and subsequently managed to do so. Currently, according to the news agencies, Romania has again contracted foreign debt. What would be the causes of the present foreign debt? Are those causes external or internal?

[Iliescu] The fact that Romania managed to pay back all of its foreign debts by the end of the 1980's may be seen both as a positive and as a negative thing. At first glance, not to have foreign debt seems to be a good thing. That has been accomplished through huge economic and social sacrifice, by forswearing technological renovation of basic sectors of the economy, especially industry, and worsening the standard of living. This amplified the economic and social crisis, leading in the end to the explosive outburst of the population in 1989. On the other hand, the crisis has also become more acute due to the dissolution of the former economic system and to

unfavorable international circumstances corroborated with the crisis phenomena I already mentioned—the Gulf and Yugoslavia—which made our industrial production drop by half, prevented us from further using certain production capacities, and augmented inflation and unemployment, bringing about the worsening of living conditions. In such a context, there are two ways to rebuild an economy: Either resort to internal resources, which are quite diminished because of the continuous fall in industrial production, or foreign resources, which means resorting to foreign loans. Hungary and Poland relied extensively on such loans, and consequently doubled their debts over the past two years. Compared to those countries, one owing about $25 billion and the other about $45 billion, our debts amount to $2 billion. This has been caused by the current deficit of our trade balance caused by the fact that our imports have exceeded exports. But foreign debts are not our main concern—on the contrary. Had we had debts before, foreign banks might have made more generous new loan offers. The way we see it, banks are more approachable when dealing with customers that already owe them than with those who have never been or currently are not their clients.

[AL-ITTIHAD] Does Romania intend to modify the legislation regarding foreign capital investment in order to encourage possible investors even more?

[Iliescu] We have been trying to do just that over the past three years, beginning with the first measures and bills that were passed in 1990, followed by a series of other laws, which—with respect to foreign investments—have made our country one of the most liberal ones in the entire area. In the second half of last year, our parliament passed a bill on free trade zones, offering a very wide range of possibilities quite similar to those adopted by the Gulf states, including the Emirates. We hope that this bill will further bolster our cooperation.

[AL-ITTIHAD] One last question, Your Excellency. What are your views concerning the evolution of relations with the states formerly belonging to the Soviet Union, especially with Russia, the most important and largest state in that area?

[Iliescu] We are directly interested in the political and economic stability of that area, because the stability of the whole continent and the international situation generally depends on that. That is why we are keenly watching the democratization process and the strengthening of the new economic system, based on a market economy, taking place in those countries. Being a neighboring country, we are directly affected by those processes, while economically speaking, it is in our vital interest that the situation in Russia returns to normal. We have always had extensive relations because of the their rich natural resources in energy and raw materials, and because of the important market Russia and all the other states in that area, including Ukraine and the Caucasian countries, represent for our products.

[AL-ITTIHAD] Please, allow me one more question. With respect to Romanian relations with Iran and Iraq, do you think those ties will develop further?

[Iliescu] We have relations with Iran and we are interested in widening them further. Actually, those are mutual interests, because of the traditional character of our ties. Unfortunately, every kind of relations with Iraq is blocked now, and we—like every other state in and outside that area—are interested in seeing the situation there return to normal because it lies in our interest to develop economic ties with both of those countries.

[AL-ITTIHAD] Thanking you for your kindness, Mr. President, I would like to ask you to address a few words to our readers.

[Iliescu] I am pleased to have such an opportunity. As I said at the beginning of this interview, I salute the widening of our relations, especially lately, with the United Arab Emirates. We hope that our political and economic relations will develop further in 1993. We believe in that.

[AL-ITTIHAD] Thank you very much for this opportunity, and I hope that I can meet you again for an interview in Abu Dhabi.

Izetbegovic Welcomes Butrus-Ghali Decision on Aid

AU1902115693 Paris AFP in English 1127 GMT 19 Feb 93

[Text] Sarajevo, Feb 19 (AFP)—Bosnian President Alija Izetbegovic on Friday [19 February] welcomed a decision by U.N. Secretary General Butrus Butrus-Ghali to overturn a decision to suspend relief operations in almost all of Bosnia-Hercegovina.

The president characterised the move as "positive," a source close to Izetbegovic told AFP.

He added that the president was "pleased" with Butrus-Ghali's decision to overturn a unilateral move by U.N. High Commissioner for Refugees Sadako Ogata to suspend the aid because of what she saw as lack of cooperation from all three warring parties here—the Moslem-dominated government and army, the Serbs, and the Croats.

The UNHCR distributes some 7,500 tonnes of aid a week, but its convoys are blocked by Serbs from entering areas where Moslem populations are besieged.

Morillon Orders Relief Trucks to Zepa

AU1902120893 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1100 GMT 19 Feb 93

[Text] General Phillipe Morillon, UNPROFOR [UN Protection Force] commander for Bosnia-Hercegovina, has personally ordered that three out of 10 relief trucks be sent to Zepa in order to deliver food to the residents there. It is through this convoy that (?30) tons of food could reach its destination today. Journalists were informed that Morillon will try personally to ensure that the aid is delivered to the residents of east Bosnia as soon as possible. Morillon enjoys the full support of General Satish Nambiar, UNPROFOR commander for the former Yugoslavia, despite the decision by the Office of the UN High Commissioner for Refugees to suspend humanitarian aid to Bosnia-Hercegovina.

Presidency Links Continuation of Talks to Aid

AU1902092793 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 0900 GMT 19 Feb 93

[Text] At its session chaired by President Alija Izetbegovic, the Presidency of the Republic of Bosnia-Hercegovina discussed the issue of the continuation of peace talks in the Security Council. It was concluded that the delegation of Bosnia-Hercegovina, led by Haris Silajdzic [Bosnian foreign minister], will not be able to take part in these talks until assurances are given for safe passage of the convoy with food and medicines to the civilian population of eastern Bosnia. However, the delegation is prepared to discuss this as the first matter.

UN Says Serbs To Allow Gorazde Convoy To Pass

AU1802161793 Paris AFP in English 1616 GMT 18 Feb 93

[Text] Belgrade, Feb 18 (AFP)—Serb commanders agreed Thursday [18 February] to allow a U.N. relief convoy travel to the besieged Moslem town of Gorazde Friday after holding up the aid shipment for two days, a U.N. spokeswoman said here.

Lyndall Sachs, of the [Office of the] U.N. High Commissioner for Refugees (UNHCR), said the leader of the convoy had informed his Belgrade office that Serb militia in Rogatica had inspected the trucks' contents and authorized their departure for Gorazde in eastern Bosnia-Hercegovina.

The Serbs had refused for two days to let the convoy pass, the third week in a row it had prevented food and medecine from reaching the 70,000 people in Gorazde.

Their action, and the refusal of Serb commanders along the Serbia-Croatia border to permit a second convoy from reaching other besieged Moslem towns in the region led the UNHCR late Wednesday to suspend all its aid operations in the region.

Sachs said the second convoy, headed for villages near the town of Cerska which have been cut off from all aid for 11 months, was still blocked at the border.

The decision by Rogatica commanders to let the Gorazde convoy through came as the commander of the U.N. peacekeepers in Bosnia, French General Philippe Morillon, was travelling to the town to personally negotiate with the Serbs.

A third UNHCR convoy that had been due to leave Belgrade Thursday for the eastern Bosnian town of Zepa was still in the Serbian capital, Sachs said. Zepa, its population swollen from 4,500 to about 30,000 by refugees, according to reports from the area, has seen only one small convoy in 11 months.

The UNHCR called off most of its aid efforts in Sarajevo and eastern Bosnia in response to the Serbs' refusal to let convoys through to isolated Moslem towns in the east and to the Bosnian government's decision on February 11 to boycott all U.N. aid until the eastern towns could be supplied.

Government Requests UN Security Council Meeting

LD1802164993 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 18 Feb 93

[Excerpt] The Government of Bosnia-Hercegovina met today and sent a letter to the UN Security Council with a request for an urgent session of the council to discuss the latest developments concerning the distribution of

humanitarian aid. A request also was made for the distribution by air of humanitarian aid for eastern Bosnia. [passage omitted]

Serb Forces Threaten To Enter Besieged Capital

AU1802170893 Paris AFP in English 1653 GMT 18 Feb 93

[Text] Sarajevo, Feb 18 (AFP) - Bosnian Serbs continued on Thursday [18 February] to attack the western gateway to the capital, where they have gained ground, threatening a break-in to the beseiged capital.

The Sarajevo fighting was close to the airport and to U.N. Protection Force headquarters in the post and telegraph building, where UNPROFOR [UN Protection Force] spokesman Barry Frewer said Thursday that contingency plans had been drawn up to protect the personnel there.

The shells were coming in so close that personnel in the building—and around it—had to dive for cover.

Meanwhile 19 U.N. relief convoys succeeded in delivering 1,253 tonnes of aid to various parts of Bosnia-Hercegovina on Wednesday, the day U.N. High Commissioner for Refugees Sadako Ogata announced the suspension of aid to most of the country.

That was a slightly better than average day.

The UNHCR succeeds in delivering an average of 7,500 tonnes of aid a week, officials say, but some convoys to Moslem populations are blocked by Serb commanders every day, and some are turned back every time.

The Bosnian army was meanwhile attacking the nearby Serb stronghold of Ilidza.

The U.N. force once again closed roads in the area Thursday as the fighting intensified, with artillery barrages accompanied by infantry surges.

Commander Frewer said Bosnian infantrymen attacked Ilidza Thursday morning as the army's gunners laid down artillery and mortar fire.

Elsewhere around the country, British troops came under small-arms fire Wednesday around the central town of Gornji Vakuf, where a truce between Bosnian army and Croat forces is holding tenuously.

The British troops returned fire, Frewer said.

In northwestern Bihac, observers counted 45 artillery rounds and heard small-arms fire.

Radio Sarajevo said Serbian planes had bombed the Cerska area in eastern Bosnia three times Wednesday, killing 27 people and wounding 50.

The radio also reported shelling of Konic, in the south, at Breza, northwest of Sarajevo, and at nearby Visoko, where it said artillery shells scored direct hits on an aid convoy. The UNHCR did not report any attacks on any of their convoys in the area.

At Gradacac, in the northeast, Serb troops shelled the city and attacked Bosnian troops with artillery and tank fire, the radio said.

At Brcko, also in the northeast, Bosnian army troops repulsed an infantry attack backed up by mortar fire, it said.

The radio also reported heavy shelling around the north-central town of Olovo.

In Croatia, Serbian artillery attacks continued against Novigrad and villages inland from Zadar, Zagreb radio reported.

UNHCR Denies Reports of Cannibalism

LD1802133893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1208 GMT 18 Feb 93

[Text] Zagreb, 18 Feb (TANJUG)—The Office of the UN High Comissioner for Refugees [UNHCR] in Zagreb has vigorously denied reports of cases of cannibalism in the besieged Muslim areas of eastern Bosnia.

"Our people, who visited Srebrenica, Gorazde, and Zepa, did not find any evidence of cannibalism among the population there," UNHCR spokesman Peter Kessler said last night. It is true, he added, that the supply situation is very bad, but the reports of cannibalism are hysterical.

The UNHCR denial followed the statement by Muhamed Sacirbey, ambassador of Muslim Bosnia-Hercegovina [to the United Nations] in New York, that people in eastern Bosnia, facing shortages of food, "have turned to the only way to survive—cannibalism."

Two-Thirds of POWs Released From Camps

LD1802204493 Belgrade TANJUG in English 1845 GMT 18 Feb 93

["Pool" item]

[Text] Geneva, Feb 18 (TANJUG)—Around ⅔ of the 10,800 prisoners of war, recorded by the International Committee of the Red Cross (ICRC) in 52 prisoner camps in the former Yugoslav republic from July to December last year, have been freed to date.

According to just released ICRC figures, 5,040 out of 5,534 persons released with the help of the ICRC were freed by Bosnian Serbs, 357 by Bosnian Croats and only 137 by the local Moslems.

The three warring factions (Moslems, Serbs and Croats) exchanged 2,500 prisoners of war without the ICRC's mediation.

ICRC said that another 2,692 persons were still held prisoner in 25 camps in Bosnia, but did not specify

which side was running these camps and holding the POWs in them and refusing to fulfill the Geneva October 1 agreement on their release.

Karadzic, Delegation Not Going to Talks

LD1802151993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1356 GMT 18 Feb 93

[Text] Belgrade, 18 Feb (TANJUG)—A delegation of the Serb Republic in Bosnia-Hercegovina with President Radovan Karadzic, is for the time being not going to New York for negotiations on the former Bosnia-Hercegovina.

The delegation wrote to Cyrus Vance and Lord Owen, the cochairmen of the conference on former Yugoslavia, asking for the talks to be transferred back from New York to Geneva.

Renegade Fighter Views Bosnian Army

AU1802134893 Zagreb VECERNJI LIST in Serbo-Croatian 12 Feb 93 p 7

[Interview with Brigadier Jusuf Juka Prazina, one of the commanders of special units of the Croatian Defense Council by T. Bradvica; place and date not given: "A Living Legend of Sarajevo"]

[Text] After everything that he did in defending Sarajevo, Jusuf Juka [Prazina's nickname] Prazina has been accused of criminal activities by the Sandzak stream in the Army of Bosnia-Hercegovina [BH Army], headed by Sefer Halilovic. Presently there is no place for him and his 300 men in Sarajevo, but the number of those that trust him is quite large, while some officers of the BH Army even demand his comeback.

[Bradvica] Who is, actually, Juka?

[Prazina] I am an ordinary man from a working-class family, from ordinary folk. I am a Bosnia-Hercegovina patriot, fighting against all those that act against Croats and Muslims. I invested everything I had in this war; however, I received neither understanding, help, nor support. Almost all of my family—myself, my wife, my brother, and many other relatives—have been wounded, as have many of my friends.

[Bradvica] Many people from Sarajevo consider you to be a legend.

[Prazina] After everything that I have gone through so far, I can also say that I am a legend and a hero. So far I have not had any mistakes or problems in operations. I always lead my men in actions, and those who have realized that Juka cannot be easily killed, want to get rid of me in a shameful manner.

[Bradvica] Who wants that?

[Prazina] Sefer Halilovic, chief of the General Staff of the BH Army. However, they never succeeded in such attempts, not even now. My men know what I mean to them.

Beginning in the Old Town

[Bradvica] How was the General Staff of the BH Army created, and why, after everything you did, is there no place for you?

[Prazina] As soon as the first barricades happened in Sarajevo, when my people stood up to defend the city, in the precinct of Old Town all important people were summoned: the present minister and adviser of the Ministry of Internal Affairs [MUP] Avdo Hebib, the deputy Defense Minister, chiefs of police stations, and so forth. We realized that the war is inevitable, and we agreed to fight with joint forces, because the massacre had already started in Bijeljina. Apart from us, also Kerim Loncarevic, Jusuf Pusina, and the deputy of the former Defense Minister Jerko Doko should have been included in the crisis staff. Nothing at all happened, and I was invited to leave the "green berets," and join the special units of the MUP reserve. I was there about a month, and then I was invited to join the BH Army as a member of the General Staff and was designated the commander of the First Sarajevo Regiment of Special Forces.

[Bradvica] Why, all of a sudden, did Halilovic become the commander-in-chief of the BH Army?

[Prazina] He came through some patriotic league that is, as a matter of fact, totally unknown among the Sarajevo people. Loncarevic and the people from the government agreed to appoint him chief, because he has a military education.

I was told that I could not fit in with the military structure, because there are regiments, battalions, squadrons, and so forth. However, at the time, I already had 25 to 30 squadrons in Sarajevo that added up to 500 men!

Juka Is Right, But....

[Bradvica] Bosnia-Hercegovina Radio continuously delivers accusations that you and your men are criminals, drug dealers, car thieves.

[Prazina] The first day I met Halilovic I could not stand him, and I publicly said that. The people from the government did not like that, and they said: "Juka is right, but he must not speak so in public. Other people must not see our imperfections." Now I also think that it was not wise to attack Halilovic and Stjepan Siber at news conferences. However, I thought at the time that it was the only way to make the others suspend him.

As for the "criminal activities," I have always been accompanied by 20 to 30 men, and 300 soldiers follow me, so that "any information on criminal activities" would have quickly "leaked out." I do not use drugs, I do not drink and smoke, I do not even drink coffee.

[Bradvica] How did you get the rank of general?

[Prazina] As a member of the General Staff I was promoted to general.

[Bradvica] Did Alija Izetbegovic sign the promotion?

[Prazina] Yes, he did. It was the proposal of Halilovic, Pusina, and Doko, which the Presidency accepted. However, when I left Sarajevo, they started to work on my suspension, and they succeeded. Now I am with the Croatian Defense Council [HVO], and I have the rank of brigadier general. In the HVO the situation is much, much better, more down-to-earth, and they treat the people and soldiers much more justly. All those stories that we heard from Radio Sarajevo that the HVO had stopped a convoy, that the HVO had taken this or that, are pure lies. In the moment when we were helpless, the HVO armed the Muslims.

Arrest and Putsch

[Bradvica] There were many stories circulating in Sarajevo referring to a putsch. What did actually happen?

[Prazina] Halilovic wanted for a long time to lead a putsch. My arrest in Konjic by Zejnil Delalic baffled his plans. In 15 minutes my people "covered" the entire city, took the control of the television, the general and regional staffs, the Presidency, and police stations. Halilovic's people felt that there was a force in the city capable of preventing them from conducting the putsch.

[Bradvica] You were even accused of collaboration with the chetniks [Serbs]?!

[Prazina] That is ridiculous. They knew about every action that I conducted, and they had insight into everything I did. How could the chetniks cooperate with me, when I killed "a bunch" of their people?!

Halilovic Responsible for Those Killed

[Bradvica] Do you have any proof that Halilovic collaborated with the chetniks?

[Prazina] I do not have any proof, but I think that he should account for operations where up to 100 men were killed in each of them.

[Bradvica] What operations do you refer to?

[Prazina] Poljine. On the plateau above the Sarajevo maternity hospital 100 men were killed, and it was he who had ordered that action, which I think had been "sold." [prodat] Then there were also Otes and Dogledi. He ordered the attack without informing civilians and local defense units about it, and also many people were killed there. Hundreds or thousands of people killed—it means nothing to him.

[Bradvica] Why did you and your men go over to the HVO units in the moment of their clashes with the BH Army?

[Prazina] When I was suspended, I did not want to become a "paramilitary." However, if I had known what the conditions in the HVO are, I would have done it much earlier. The clashes have been generated by Halilovic and his flock, who have still not managed to free Sarajevo. The General Staff of the BH Army is to blame for events in Gornji Vakuf and Busovaca.

[Bradvica] What did you do several months ago in Stup? The media interpreted your presence there as an attack on Croats.

[Prazina] I received the order from the General Staff to take over the control points near Zora, Podvoznjak, Azici, and Doglodi, which I refused. I went to the HVO staff, and informed them about it. I told them that my placing the guards in front of their booths is out of question. However, I did set up the booth in Alipasino Polje, because we had to stop some persons profit from the misfortune of Sarajevo people. They even demanded up to 1,000 German marks to let the people leave Sarajevo.

[Bradvica] How do you see the further course of events in central Bosnia?

[Prazina] It is going to be tough. I have to send the message to Muslims that they should not believe in the stories about the HVO being against them. We have to fight together, because we must liberate the entire occupied territory.

Ganic Rejects Security Council Decision on Plan

93P20091A London AL-HAYAH in Arabic 9 Feb 93 p 8

[Report by As'ad Taha]

[Text] Zagreb—AL-HAYAH met in Zagreb the day before yesterday with Ejup Ganic, a member of the Bosnian Presidential Council, who was on his way to Sarajevo returning from meetings in the United States, Austria, and Germany. The Bosnian official rejected the Security Council's agreement on the Owen-Vance settlement plan in Bosnia, saying that his country "will fight with every means available" if it is adopted by the Council.

The interview comes at a time in which the international mediators Cyrus Vance and Lord David Owen have failed in New York to convince the Bosnia-Hercegovina Government in New York to retract their rejection of the Bosnia-Hercegovina peace plan, which addresses the Serbian aggression. It was expected yesterday that the mediators would present the results of their talks with the parties to the conflict in Bosnia to the Security Council, which has begun closed sessions on the issue.

The Bosnian official said to AL-HAYAH that the Security Council "will not adopt the Vance-Owen plan, unless it makes an alternative proposal which deals with a large number of the plan's negatives, in addition to what is in Bosnia-Hercegovina's interest as a unified

independent entity. The United States will cooperate with the group of Islamic states in this direction."

The United States expressed strong reservations about the international mediators' plan. It said that it would not agree to it as long as it did not win the agreement of all of the parties. However, recently a clear wavering has been evident in the U. S. position, after the Bosnian Government and the Islamic states expressed hope that it would lead to a complete review of the trend represented by Vance-Owen and win the support of Britain, France, Russia, and China.

Ganic said that "the United States is looking for a partner to take a step after this matter has been dropped in a way which allows Europe to drop it. Europe has shown its inability to solve a crisis on its own land." He added that "conquest creates facts, and Europe has not done anything positive in this area. I believe that the United States is determined and able now to find an acceptable solution, except that it desires an Islamic role. I want the two parties to succeed in putting pressure on Britain, France, and Russia.

Ganic said of his trip to the United States: "I stayed in the United States for 10 days meeting a large number of influential politicians. I believe that I succeeded in finding a public opinion which is inclined toward support for our causes. I met with 20 congressmen, in addition to some people in the Pentagon and the White House." He stated that he told them all that Bosnia-Hercegovina is a multinational society "which the Muslims desire to maintain as a democratic society. They do not wish any sort of separatist or hegemonistic regime."

He said that he explained to the U.S. officials that the Serbian enemy has a hostile desire to uproot us from Europe, since we represent the majority in Bosnia, just as the Croats are in Croatia and the Serbs in the republic of Serbia. We are looking for a democratic form of government which permits all citizens the same rights regardless of their religious affiliation. This is our history and this is our religion."

He said that the position of the Muslim side is not to force opinions and ideas on others "but we had the right to defend ourselves and our homeland by any means available after it became clear to all that the Serbs do not want a nation formed in the Balkans of which the Muslims constitute the majority." He emphasized that Bosnia does not want foreign military intervention and that "what we lack is the arms to defend our country. Within this framework, suggestions are invited from our friends and allies."

Ganic said in response to what was said in the Croatian media about his inclination toward the war alternative: "We are aware ... that we have the natural and moral right to do this. Yes, I support the military solution because, very simply, it is the most effective way in the area to find a way out of this damned war. Any other solution which may lead Bosnia-Hercegovina to talks and discussions and compromises may go on for 10 years like the Palestinian question and others."

On the clear difference in the tone of European mediator Lord Owen recently in his discussion of the Muslims and his accusing them of standing in the way of the settlement efforts, Ganic said that "Lord Owen is like a person who wants to build a house, but he does not care if his plans agree with the wishes of those who will live in it. He has made many mistakes because he is a politician who has not had a sufficient grasp of reality. He believes that the Muslims will not receive aid from anywhere and that it is up to them to agree to this proposed plan, which we consider to be a plan to establish the partition of Bosnia-Hercegovina on the basis of the old British slogan of divide and rule."

On the situation if the Security Council ratifies the Vance-Owen plan and whether Bosnia will consider rejecting it in spite of the international community, he said: "We will continue to fight with all the means available to us. But I do not think that the Security Council will go that far. The Serbs are continuing their policy of ethnic cleansing, and the Security Council's agreement will mean ratifying this hostile policy?"

Serbian Units Salvage Military Factories

93BA0544A Belgrade VOJSKA in Serbo-Croatian 24 Dec 92 p 22

[Article by M. Jovicevic: "Rescuing Industrial Installations"]

[Text] In the battles to defend and liberate Serbian towns and localities, unit commanders of the Serbian Army in the former Bosnia-Hercegovina [B-H] are taking particular care to protect industrial facilities and save them from destruction. For instance, in the Derventa Brigade a special unit has been organized to protect economic facilities in Derventa and Bosanski Brod from destruction when those towns are liberated from Ustasha authority. The unit was given the name Jude, and it was formed by Engineer Peka, a member of the brigade's staff. The detachment had a strength between 60 and 100 fighting men in various specialties.

Before the attack of the Serbian forces on Derventa to liberate that town from Tudjman's warriors, they slipped through unnoticed to the factories. When the Ustashi set out for a factory to plant explosives and blow up industrial installations, they encountered brave and bold fighting men who stopped them at the gate and frustrated their intentions.

And while other fighting men of the brigade, led by their commanding officer, Colonel Trivo Vujic, set off to liberate Derventa, members of the Jude Detachment, exposed to strong enemy fire, secured the facilities until the Croatian and Muslim fighters had been completely cleared from the city. Unfortunately, the brave commander Trivo Vujic was hit by an enemy bullet as he was

leading his fellow fighters in an assault. His heroic death was avenged—the city was liberated in his honor.

"Derventa is now a city in ruins," says Eng. Milorad Vaselic, president of the opstina Assembly. "But thanks to the Jude Detachment industry has been left intact, and that will make it possible to rebuild the city. Production will help to lift the city out of the ruins. Even now we are planning to resume production in the Unis Welded Pipe Factory, then in the firm Mehanika, to start up the Iskra Printing Plant, the Demos Shoe Factory, and many other firms. Specialists and all those who left Derventa have been invited to return, because we need the manpower for production," he told us.

The refinery in Brod was preserved in the same way, everything was left intact except for two storage tanks. With minor repairs, all the rest will soon go back into operation. By contrast with Derventa, many residential buildings were preserved in Brod, and there was no major destruction.

As a mark of gratitude for bravery, one street in Derventa, when the city is rebuilt, will be named after the heroes in the Jude Detachment.

Presidency Member on Muslim-Croatian Conflict

93BA0563A Zagreb DANAS in Serbo-Croatian 29 Jan 93 pp 27-29

[Interview with Miro Lasic, member of the Bosnia-Hercegovina Presidency, by Ivan Sabic; place and date not given: "Muslims With Three Faces"]

[Text] Croatian-Muslim relations, unfortunately, are today a topic not only for the Croatian and B-H [Bosnia-Hercegovina] press, but they are being talked about more or less throughout the world. In this interview, we tried to learn from Miro Lasic, the most recent member of the B-H Presidency to join that body, how those relations are viewed from surrounded Sarajevo.

[Sabic] What is happening in Bosnia-Hercegovina? More and more often we are hearing news about tragic conflicts between Muslim and Croatian military units. Why is there tension between Muslims and Croats?

[Lasic] Serbian expansionist aggression has inflicted heavy suffering on the Muslim people, who have been going through trials unrecorded in world history. This is the fact that must be the point of departure for any approach to the present "Muslim question," something which sometimes in some places some Croats fail to do, and that creates the appearance of a certain lack of understanding toward the Muslim people.

The Muslims have experienced a tragedy. Brought about by the Serbs. And this at a time when they were not ready for defense. Now a change is taking place, at least so it seems. The Muslims have so many weapons that their self-awareness has increased.

Underground forces, which are equally anti-Croatian and anti-Muslim, picked their moment to launch the thesis that the Croats have betrayed the Muslims and have even stabbed them in the back! Although that is an outright lie, this is having adverse consequences for the life and existence of Croats in Bosnia.

Thus, the Bosnian-Muslim news media have been blaming the Croats tendentiously and exclusively for every misunderstanding and conflict between the Muslims and Croats, thereby intensifying tensions unilaterally. And if the tensions persist between Muslims and Croats, it is quite possible that they would like to make up for their frustrations and historical losses not in the right place, but at the expense of the Croats. Groundless attacks of armed Muslims on units of the Croatian Defense Council [HVO] have become increasingly frequent.

Is that not a paradox? If anyone in the world provided real help to the threatened Muslims when they were in trouble, it is the Croats, Herceg-Bosnia, and Croatia.

[Sabic] How is it that today Croatian-Muslim relations are at their lowest point in history?

[Lasic] The fundamental reason for that is Serbian expansionist aggression, which in Bosnia has disrupted all relations, from human relations to interethnic relations. The balance was always unstable and delicate and always had to be carefully maintained. After the aggression and the disturbances, that balance could not be maintained in the old way, especially not to the detriment of the Croatian people, as was done in the time of the communists. It should not be forgotten in this connection that the Muslims suffer from a chronic identity crisis—vascillate regarding their origin. In the historical process, in world crises and the games of the great powers, Bosnia was in a situation at the beginning of the century in which the former establishment left the country, and the Muslim population was left without orientation and without points of identification for crystallization. People were forced to "adjust," virtually from one day to the next, according to the situation and the troubles of the always restless historical reality in this region. Possible illusions and wanderings are always possible in searches of that kind.

At the present historical moment, when Serbian expansionist aggression has truly put their bare survival in great jeopardy, an instinctive impatience is developing for them to rally under the banner and in the dignity of their name and the features of their nationality. Which accounts for the inflammable oversensitivity to everything around them, and in some circles even a mistrust of the Croats. In their anxiety to survive, in their real panic, the Muslim leaders have neither the will nor the desire to inquire into historical experience and extract from it the horizon of their possibilities. If they did that, they would see that in this windy place that Bosnia is the Croatian nationality is the one closest to them, the one which (along with the Jews as a cultural entity) does not

threaten them physically either, and, still more important, it has never tried to revoke nor questioned their religion nor their civilization, nor indeed their orientation as a nationality.

[Sabic] If we are to listen only to the Muslim side, it turns out that the Croats have in the last year or two done nothing but ugly things to the Muslims.

[Lasic] Bosnia-Hercegovina has been recognized as a state for the first time in history, and it was Croatia that did so. The first ambassador to present his credentials is a Croat (Dr. Zdravko Sancevic). The Croats have been well-known as Muslimophiles since back in the time of Count Petar Zrinski and Prince Frano Krsta Frankopan, but especially since the "father of the Croatian homeland" Ante Starcevic.

And the "father of Croatian statehood," Franjo Tudjman, it is known on good knowledge, is a sincere friend of the Muslims. The Croats have a high estimation of the moral values of Islam. There are a respectable number of Croats of Islamic faith. We Croats do not flee from living together with the Muslims in our homeland.

In the defense of Sarajevo, three times as many Croats died as is our share in the population. Those young people of ours sacrificed their blood and their lives for the state of Bosnia-Hercegovina.

[Sabic] When all those facts are pointed out and taken into account, and there is no reason why this should not be done, how is one to explain the present situation, above all the misunderstandings of a "conceptual" nature between Muslims and Croats?

[Lasic] The civil (law-governed) state, which the Muslim politicians advocate declaratively, as they have applied it on the territory controlled by the B-H Army represents a broad form of monoethnic or, more accurately, Muslim superiority. Unless there is equality at the level of the state, which we are verbally recognized to have, but which in practice is flagrantly denied every day, the Croats cannot take part in that government. The Muslims today have leaders who in the general opinion are people with two or three faces: They show one in Sarajevo, and that is the face of autocracy and rule of the majority, a second, say, in Zagreb, and that is the face of warmth and cordiality, and a third "to the world," and that is the one that appears to be the face of openness and democracy. Accordingly, we Croats must doubt that the Muslims have real political forces that would be reliable partners. The Muslim politicians do not try to understand the historical consciousness realized by the Croatian people, its achievements in defense, its unity under the leadership of Franjo Tudjman, but "perceive" and represent this as a "Latin" threat and danger. They seem to deliberately forget that the Croats have been and have remained a point of support for the Muslims in their most difficult moments, even at the price of our own sacrifice. That is the heart of the misunderstandings today.

[Sabic] Alija Izetbegovic is now entering upon his third (unconstitutional) term. How long will that be tolerated?

[Lasic] It is obvious that Alija Izetbegovic has carried out a "castle coup d'etat." As he himself announced back in late October, under the imperative provision of the Constitution, Izetbegovic should have left the position of "first among equals," the president of the Presidency, at the end of his send term. When the moment came to "turn over" the presidential office to a representative of another (the Croatian) nationality, Izetbegovic disappeared from Sarajevo.

One member of the Presidency (Dr. Mirko Pejanovic) has called for a debate on the autocracy of the current president, but more than a month has already passed, and a meeting of the Presidency has not been called in response to that request.

[Sabic] That really does not have much in common with the civil state such as Izetbegovic advocates.

[Lasic] The current president of the Presidency has concentrated in himself all the powers which belong to the Presidency under the Constitution, but not to him personally, and now he does not want to let that go. Izetbegovic is behaving in absolutist fashion, he is usurping power, yet all he talks about is the civil (law-governed) state, and whenever possible, he himself or through his coworkers, publicly or secretly, legally or illegally, he is carrying out monoethnic (Muslim) authority.

The "state delegations" of Bosnia-Hercegovina are composed without participation of non-Muslim representatives in the government, so that you would think they represent Iran or Pakistan.

No one knows anything about the platform they are supposed to represent, nor does anyone render an account. In most countries, Alija Izetbegovic's "commissioners" are operating, and the members of the Presidency, the collective chief of state, know nothing about them.

For every Croat in "foreign affairs," there are 20 or 30 Muslims. This is three- to fourfold worse than in the former Yugoslavia. The Foreign Ministry, in its arrogance, sent a letter that it intended to appoint a certain person (of Muslim nationality) to be ambassador in the Republic of Croatia, and the Croatian members of the Presidency (nor the Serbian members for all I know) were not informed of this. There are indications that no one outside of a small group knows anything about the special state finances (an immense amount of foreign exchange is involved).

[Sabic] You have been living and working in Sarajevo for almost 10 months.

[Lasic] For 10 months, Sarajevo has been under bombardment every day; Actually, it is being destroyed and burned. In just one night, for example, about 600 apartments burned up on Hero's Square. But this has not

shaken the defensive morale of the people of Sarajevo. Something much more difficult for the population occurred this winter: in addition to the troubles of war, along with hunger and thirst, the cold, which has caused radiator pipes to burst and has threatened leakage of industrial water and a frozen sewer system. You cannot imagine how difficult that makes life and how it reduces it to the lowest level of civilization.

[Sabic] They say that life in the besieged city is threatened by more than artillery shells and hunger.

[Lasic] I do not think the Serbian expansionist aggressors, who hold this capital city in an "iron ring," but cannot break it or conquer it, are the greatest danger to Sarajevo. The danger now is coming from within, from diverse mistreatment, chicanery, theft, all the way to rapes and murders committed by people in uniform, mostly with the insignia of the numerous military police of the B-H Army, that is, "protected" crimes and criminals.

[Sabic] The murder of Josip Gogala aroused the greatest attention, but it is not the only such case. The case of Josip Gogala, an official of the HDZ [Croatian Democratic Union], who had been designated ambassador to Slovenia, has no precedent. That the military criminals can treacherously kill a high official of the state, at the rank of a minister, supposedly to rob him, after their "investigation" about which they are not informing anyone, this is assuredly an absurdity in the world at large. Only in response to my public protest and ultimatum were 15-16 criminals arrested. But as far as results go, that is only one of a number of murders. Nebojsa Siljevic (a Serb), who belonged to the HVO police, found both parents savagely murdered when he came home from work. Those who murdered Miroslav Lukic, a soldier of the HVO, from ambush are walking free in the city. Dr. Milutin Najdanovic (a Serb), a professor and deputy in the Assembly, has been arrested and killed. The murders of the entire Ristovic family (five members), the Krajisnik family (three members), and—as I have been informed by the public prosecutor—at least 30-40 citizens of Sarajevo seem not to disturb anyone.

For months, hiding behind the 1st Battalion of the 6th Hill Brigade of the 1st Sarajevo Corps, Gogala's murderers terrorized the urban settlement of Hrasno Brdo, committing murders, rapes, and robberies.

People are being thrown out of their apartments in large numbers. The entire city has been robbed. All of this is tolerated presumably out of love for "defense against aggression" and creation of a state, but a wretched state it would be. I said over the open grave of Josip Gogala that that great fellow citizen, who was a righteous man, a Croat, and a Catholic, was not murdered by the Muslims, but by criminals, and criminals have no nationality. That is why the B-H Army, which is under Muslim domination, must distance itself from those of its members who are criminals.

[Sabic] Some Sarajevo Croats say that Sarajevo is lost forever to the nationality to which they belong.

[Lasic] The Catholic Diocese in Sarajevo has existed for a millennium. Croats have lived in it, then, more than 1,000 years with their bishops, rulers, and kings.

In the decisive times of the 20th century, Croatian survival was in question on this original Croatian soil because of the continuous offensive processes aimed at suppressing Croatian identity in Bosnia-Hercegovina, but we still dare not forget that Sarajevo is an authentic Croatian city. Sarajevo has decisive importance to us, to the Croatian people and Croatian property. The cream of the Croatian intelligentsia of B-H lived and worked in Sarajevo, it was Croatian initiative that led to the construction of numerous cultural resources in Sarajevo.

[Sabic] In Croatian circles, people are thinking more and more about leaving Sarajevo. What consequences would such a decision have at this point?

[Lasic] If the Croats left Sarajevo, that would remove the legality from Bosnia-Hercegovina as a state. That is, whoever recognizes Sarajevo also recognizes the legality of the state, because Sarajevo is the synonym and legitimacy of that state. Another element which bears the importance of Sarajevo is the fact that the address of Bosnia-Hercegovina for the rest of the world is Sarajevo, and the entire international political transactions of the state must go through Sarajevo, even if it has been destroyed and burned.

Nor should it be overlooked that the Croatian agglomerations of Kiseljak, Kresevo, and Vares are in the immediate vicinity, not counting Stup in the city itself, and if there are no Croats in Sarajevo, these concentrations of ours, with our shrines in them, will become islands, the people will have no "outlet," nor center, so that in decades even those oases of ours will certainly be left without Croats. The decision on whether the Croats stay or leave Sarajevo is decisive to the future and survival of Bosnia-Hercegovina as a state and it has fateful relevance not only to the Croatian people, but all three constituent nationalities equally.

[Sabic] What policy should the Croats conduct in this historical maelstrom?

[Lasic] In its 1,000-year history, the Croatian people have often passed through great suffering. Even today it faces great trials. The Croats have been mastering those trials in this decisive time thanks to the wisdom of Franjo Tudjman as a statesman who organized the HDZ as testimony to his political will and who has finally restored the majesty and dignity of a nationality capable of creating a state to his Croatian people. Under wartime conditions, when the survival of the nation is in question, it is a normal desire to rally the nation under one banner and under a single supreme command.

Commentary Assesses U.S. Balkan Policy

AU1802212293 Zagreb VECERNJI LIST in Serbo-Croatian 12 Feb 93 p 2

[Commentary by Pjer Simunovic: "The Active Role of the U.S.A."]

[Text] The statement made by U.S. Secretary of State Christopher about Bosnia and the announcement of the steps President Clinton has decided to take in connection with this crisis could have been expected—in its foreign policy, the new U.S. administration intends to be led by civilized political principles connected to an awareness of the necessity to have a convincing U.S. leadership with global responsibility. This has been declared in Washington now, at this very important beginning.

For these reasons, the Americans have decided to take an active and direct part in the negotiations on Bosnia-Hercegovina, to inject "American importance" into these talks by engaging their envoy Mr. Bartholomew, to punish Serbia additionally for being the party to blame, to intensify the humanitarian efforts and enforce the air exclusion zone over Bosnia-Hercegovina, to involve American military units as well in the implementation of the plan to be accepted—all this in broad consultations with the U.S.'s friends and allies (especially Russia).

Besides, Croatia is in a good position, because, apart from the advantage of being a fully recognized state and the possibility of permanently strengthening its international position, it can also follow the political vibrations of Clinton's Washington, where it can identify itself and benefit from cooperation with this system of high values. Croatia is not only taking its rightful place in this system, but it is also anticipating, supporting, and making its initiatives easier.

On the other hand, it is also important that the Clinton administration has clearly identified the aggressor. The U.S. President announced that he would reinforce the implementation of the economic sanctions against Serbia, and that he would exert more pressure against it ("by raising the economic and political price of the aggression") and dissuading it from spreading the war. By these actions (presented as the third U.S. proposal), Clinton recognized that Belgrade is to blame for the events that have happened and that it is still dangerous considering what it might do.

In his statement Secretary of State Christopher emphasized that the Serbian "ethnic cleansing" constitutes an intolerable violation of humanitarian principles. The reason for the direct strategic threat is the fact that a state, a member of the UN, is being destroyed, and, apart from that, the fact that there is a violation of the principle that internationally recognized borders cannot be changed by force (a very important principle for Croatia). One more reason is the danger that the conflict could spread.

It is however possible that the planned U.S. activity "gets stuck" in the network of the "greater Serbian" malignancy "on the spot," as well as in the conflict of interests on the high international stage. It is up to the Clinton's administration, that is to say to the responsibility of its leadership, to overcome this in a fair way—with credible Croatian support in the region.

Commentary Examines Izetbegovic's Difficulties

AU1702165293 Zagreb VJESNIK in Serbo-Croatian 16 Feb 93 p 2

[Commentary by Vlado Rajic: "The Circles of Trouble"]

[Text] When people from the Croatian Defense Council kindly told him to "take care," he did not believe them. When he received a threat of a military coup—so far only disguised—Bosnia-Hercegovina President Alija Izetbegovic "called" upon the Army not to meddle in politics. There is only so much the man can do, in the past as well as now. And as for Bosnia—people are being killed there all the time.

"The worst tragedy would come about if the military came to power," Izetbegovic said, according to REUTERS. As if everything in his state were being decided by civilians. Malicious people would say that "this is so obvious." Well, insinuations aside, politics is a serious business after all, and if Izetbegovic resorts to an official statement in order to determine the most recent scope of his presidential position, then things are more than serious. For, what is involved here is not the army in general but only the Army of Bosnia-Hercegovina and, in the current language of Bosnian affairs, it is "one of the sides in the conflict," the Muslim one.

This should not cause any surprise. A long time ago, Mr. Izetbegovic accepted the role of president with a limited mandate on the international scene. When he realized this, it was already too late, and for European diplomats Izetbegovic had already been branded as a Muslim representative and not a state president. His refusal to come to New York was interpreted as a move by the "Muslim side" and not the stand of a statesman which should be respected. At the same time, after he ignored the offers and warnings by Croatian leaders in Bosnia-Hercegovina, Izetbegovic had to experience several unpleasant facts: the conflict between Muslim and Croatian military forces and, to be honest, also some political options in some sectors which have indirectly—particularly after the exchange of letters with Croatian President Tudjman—"ensured" him a new isolation within exclusively Muslim circles. Thus "isolated," albeit among his own people, he certainly should have expected an encounter with different options within this circle if his in which he had withdrawn both voluntarily and by ignoring the real situation. When this circle became stuffy and when it became clear that the Muslim side, both the political and the military, is not totally united, particularly on the choice of the man to represent

them globally, Izetbegovic first got into difficulties and then sought help to get out of them.

As it is difficult under the Bosnian circumstances to differentiate the military from the civilian, it is therefore also difficult to understand his statement that "the Government of Bosnia-Hercegovina has never allowed the Army to impose its will." If this is so, then wherein does the problem lie?

France Reportedly Selling Airplanes to Croatia

93BA0557D Belgrade BORBA in Serbo-Croatian 26 Jan 93 p 32

[Article by TANJUG: "The French Are Selling Croatia Light Planes"]

[Text] Paris—Croatia recently purchased several Albatross, light planes suitable for reconnaissance, from the French firm Aviaside Engineering.

According to the general director of Aviaside Engineering, Marc Mateau, carried by FRANCE PRESSE, approval of French authorities was not necessary for the sale of these light ULM planes, because these planes "are not considered military aircraft."

Refusing to say how many Albatrosses were sold to Croatia, the general director of that French firm said that the aircraft had been coated with special paint making them difficult for radar to detect. Their speed is between 160 and 200 km/hr, thanks to their small size (minimum 2.3 meters in width and 8 meters in length) they can also travel the highways, and their radius is 500 km at the maximum altitude of 2,000 meters.

The Albatross planes can be equipped with cameras for direct transmission and, they say at Aviaside Engineering, whose headquarters are in Frejus (in the south of France), they are "ideal for reconnaissance." The price of an Albatross is about 275,000 francs. That is, about $55,000.

Internal Affairs Deputy Minister on Security

93BA0539A Split SLOBODNA DALMACIJA in Serbo-Croatian 18 Dec 92 p 6

[Interview with Assistant Minister of Internal Affairs Reljic by Robert Zaja; place and date not given: "We Do Not Peep Through Keyholes"]

[Text] *With the disappearance of the State Security Service, informants' collaboration, the denunciation of people from the street for something that they said against the authorities, etc., also disappeared; the SZUP [Service for the Protection of the Constitutional Order] is not offering its services either to the HDZ [Croatian Democratic Community] or other parties, but instead exclusively to the Croatian state leadership which the people democratically elected; consequently, we are the Croatian people's service; I do not believe in the creation of a domestic Cosa Nostra.*

[Zaja] Perhaps it is not sufficiently clear to the public what the SZUP actually does.

[Reljic] The Service's task is to oppose everything that undermines and destroys the constitutional order of the Republic of Croatia, primarily terrorism. A sort of way of thinking is being created regarding its existence and activity, and there is a desire to give a negative stamp to the Service, which is by no means all right. The SZUP is part of the Ministry of Internal Affairs [MUP] and together with the part of public security that includes the uniformed police and the detective force, it constitutes a single whole. Through the methods characteristic of it, it obtains certain information, and after internal processing, it forwards it elsewhere. Afterwards this information is used by people in the state leadership, the government, in creating and adopting their decisions.

[Zaja] What kind of information is involved, for example?

[Reljic] Anything associated with events that can disrupt the constitutional order, i.e., all information of interest to the Republic of Croatia.

[Zaja] Many people have compared your Service to the former State Security Service [SDB] or the UDB [State Security Administration]. Are there similarities?

[Reljic] The Croatian SDB was a satellite of the federal SDB and sent its information daily to Belgrade, from which, after all, it also received instructions for its work. Furthermore, some of the data it had available was also forwarded to certain political factors, especially the Central Committee and other committees, which is not the case today.

[Zaja] Well, didn't you say earlier that you collect certain information that is afterwards used by the state leadership in creating and adopting its decisions?

[Reljic] Yes, but we do not forward that information to any political parties.

Josip Manolic's Role

[Zaja] Not even to the HDZ?

[Reljic] No, the Service is part of the state administration's system and sends its information exclusively to the state leadership. Let me explain: the SZUP is an autonomous information and security service that is responsible for its work to the minister of internal affairs, to the Assembly, within which there is a body responsible for overseeing it, to the government, and naturally, to the state president. Since this government was elected by the people in free, democratic elections, then without any exaggeration I can say that the SZUP is the Croatian people's service. This is something that by no means could be said of the former SDB.

[Zaja] Isn't your boss Josip Manolic, chairman of the Office for Protection of the Constitutional Order?

[Reljic] No, my boss is the minister of internal affairs.

[Zaja] What is Josip Manolic's role, then?

[Reljic] The Office for Protection of the Constitutional Order is the coordinating body for the Croatian Republic's three security and information services, namely the SZUP, the SIS (the Defense Ministry's Security-Information Service), and the Foreign Ministry's service, which admittedly is still being developed. That Office thus coordinates and gives operational guidelines to these services.

[Zaja] Manolic, then, is only a coordinator?

[Reljic] Yes. He makes sure that the activities of the above-mentioned services do not overlap, and that they do not interfere in the areas of each other's work. In his Office, the information sent by all three services is combined and forwarded to the state president.

[Zaja] Will you explain the task of the Foreign Ministry's service?

[Reljic] It is primarily that ministry's analytical and information service.

[Zaja] And what is the SZUP, then?

[Reljic] The SZUP is an intelligence and counterintelligence service.

[Zaja] When I asked you about comparing the SZUP to the former SDB, you did not answer me as to whether there are similarities in working methods, or, as you said, in gathering information.

[Reljic] In certain aspects there is a similarity, but in some matters the principle of operation is fundamentally different. Protection of the constitutional order is in the SZUP's interest, and it was also in the interest of the SDB. The difference, however, is that we are protecting Croatia's constitutional order, while the SDB was protecting the constitutional order of the former Yugoslavia, i.e., "Serboslavia." Since methods of operation in all such services in the world are specific ones, the SZUP today is gathering information in virtually the same way as the SDB once did. It is logical, however, that the activities of the Service in a one-party system and in a multiparty system differ in many respects. The SZUP, in all of its work, relies exclusively on the Constitution and criminal code of the Croatian Republic and does not receive instructions from any outside bodies, any committees or parties.

[Zaja] You mentioned the similarity between the SZUP and the SDB in the method of gathering information, but it is well known that to a considerable extent the activity of the former SDB was based on the work of an extensive network of informers. Do you also make use of the services of such individuals?

UDB Dossiers

[Reljic] Well, look, it is understandable that our system of operation also entails gathering certain information through a circle of individuals, but such people today cannot be called informers, because these are citizens who are loyal to this state and to this order, patriots who want to contribute through their work to creating a general climate of security in Croatia. The SZUP, after all, does not deal with the things that the SDB dealt with, so-called political crimes. Its disappearance also meant the disappearance of that collaboration by petty informants, the denunciation of people from the street for something that they said against the authorities, etc. If I may put it that way, we do not peep at citizens through keyholes.

[Zaja] Although it is perhaps no longer as topical, can you tell me your opinion about the documentary film about Bruno Busic? Were Dr. Ivan Cesar, Ivan Carovac, and Tomo Sedlo really UDB collaborators?

[Reljic] First I have to say that the SZUP does not have any connection at all with the above-mentioned film. We were not involved in any way in filming it.

[Zaja] Do you mean that you did not know that that film would be shown?

[Reljic] That is precisely the case.

[Zaja] But does the SZUP have Dr. Cesar's dossier?

[Reljic] A dossier on Dr. Cesar does not exist at the SZUP.

[Zaja] What about Cerovac's and Sedlo's dossiers?

[Reljic] Sedlo's dossier also does not exist at the SZUP, whereas we have Cerovac's, and at his personal request he obtained it and examined it. I think that he also publicly announced it.

[Zaja] You have not answered me yet regarding how you view the film on Bruno Busic?

[Reljic] In principle, I am against that method of publicly denouncing and accusing people. After all, in the very beginning the new, democratically elected authorities spoke out against that, and they are still adhering to those principles today. We found somewhere around 70,000 dossiers from the former SDB, regarding which we immediately—i.e., as early as 1 June 1990—said: "It is history, a history that will be judged by this people." I do not know whether it will do it today or in 10 or 50 years, but the people will do it. We recently turned over some similar material that deal with the NDH [Independent State of Croatia] period to the State Archives of the Republic of Croatia, and I think that the time will come soon when we will also archive all those dossiers from the communist regime there as well, so that the public can become acquainted with all the periods and political turmoil that the idea of creating an independent Croatian state passed through. Perhaps I should explain

one more thing: It is indisputable that during the time that we have left behind us, in the system that we succeeded in overthrowing and that we are trying to make the Croatian people forget as soon as possible, individuals were active in the SDB with the main task of destroying Croatian identity. And now, there have probably been different categories of such people with different motives and methods in which they did this. It is thus very awkward and difficult to lump all of them together. That is precisely why I am against any sort of public name-calling and denunciations, as was done in the film about Bruno Busic.

[Zaja] Today every citizen of Croatia, if he wants to, can see his dossier?

[Reljic] Absolutely—if his dossier exists, naturally.

[Zaja] And so far have people been interested in looking at their "biography" written by the UDB?

[Reljic] So far we have had about 150 requests for the release of dossiers for inspection, of which I think we have resolved about 50 favorably. That means that for those 50 or so citizens, we really did possess their dossiers. Nevertheless, we are informing those people whose dossiers do not exist, but who are asking to see them, that we do not have them in our card file. If by some chance they have doubts about the truthfulness of our answer, we are allowing them to come to the MUP and convince themselves on the spot, by looking at the card file, that their dossier really does not exist. I think that this is the most honest way we could act. It is essential to note that looking at one's dossier requires that citizens first sign a statement that they will not misuse what they have read in the dossier, under criminal and financial penalties. They can only read the dossiers inside the MUP building, and cannot copy them and take them out. One can conclude from this very fact what the ministry thinks about having names in the dossiers that it possesses stated publicly. Naturally, if people find some sort of personal documents or photographs, for instance, in those dossiers, we allow them to take such things. For example, with respect to a document from which it is seen that such and such a person arranged his work history in such and such a way, that he was employed at a certain enterprise, but he does not have any other document to confirm it, then we allow him to photocopy it.

Intelligence Services

[Zaja] How much truth is there in the stories that Croatia, during this postwar period, has become a battlefield for another war—a war among different foreign intelligence services?

[Reljic] It is quite certain that with the creation of the modern and independent Croatian state, a state that is virtually, as it once was, a bulwark of Catholicism and Western Europe, Croatian territory has become very interesting to various intelligence services, especially since Croatia is directly adjacent to the area encompassed by the war, i.e., Bosnia-Hercegovina, and to the territory of Montenegro and Serbia. In view of the events there, it is logical that Croatia is becoming a very interesting spot for those services. I think, however, that one cannot speak of any sort of war among them, because all those services have plenty of methods for obtaining the desired information quietly and discreetly. Naturally, if the work of any of them undermines the constitutional order of the Republic of Croatia, the SZUP will energetically oppose it, and I think that so far we have had certain results in this. So that we can deal with such problems as effectively as possible, especially with the wave of terrorism that is stronger in some places and weaker in others, we must fully equip the SZUP and completely strengthen its personnel and material resources. That is now one of the Service's main tasks.

[Zaja] With respect to terrorism, that is evidently one of the biggest problems that Croatia is facing today. The planting of explosives, murders, and similar occurrences are everyday ones. What can you say about that?

[Reljic] Croatia can be divided into two security areas today: the UNPA [UN Protected Area] zones and the territory directly adjacent to them, i.e., the territory on which there were military operations until recently, and the area that, so to speak, has been spared and that in effect has been fortunate enough to feel the war and the war devastation to a much smaller extent. Certainly the problem of terrorism is being manifested much more in the area of the UNPA zones and next to them. I think that the SZUP, along with the other MUP services, has so far had considerable success in opposing terrorism in the areas where the Croatian Republic's constitutional and legal order has been established. Naturally, you will mention again the large number of explosives planted, etc., etc., but such incidents are very often associated precisely with the events in those turbulent areas, where war was raging up until recently. It is simply that some people who directly survived the war, saw the horrors of Vukovar, Gospic, Banija, Dubrovnik, my Drnis...are losing control and doing what they are doing. For example, it is very hard for someone who has lost his family in Vukovar, who has lost everything that he achieved in life, to understand that by blowing up someone's installation he cannot correct the injustice and evil that have been inflicted upon him. Such irrational behavior is probably present in all countries that are emerging from war, and we will quite certainly continue to have problems with this. We are responding to all such occurrences very energetically and sanctioning them by all possible legal means. I believe that through joint involvement of the Croatian police, the Croatian Army, the prosecutor's office, the judicial system, and political factors in the areas where those things are happening, results would not be lacking.

[Zaja] All right. Is the terrorism trend growing or declining, then?

[Reljic] In the areas that are controlled by the Croatian authorities, that trend is declining. Unfortunately, in the areas controlled by UNPROFOR [UN Protective Force], and under the control of the Serbian terrorists, terrorism is growing. We are witnessing them from the Zadar hinterlands to Baranja.

Serbian Saboteurs

[Zaja] So far, have there been any attacks by Serbian terrorist groups from the UNPA zones and Bosnia-Hercegovina on the liberated Croatian territory?

[Reljic] There have been several such incidents, but we succeeded in eliminating all those terrorist groups.

[Zaja] Where did that happen, for example?

[Reljic] In the area of Pakrac, more precisely Papulac, where the situation is still tense, by involving all the police forces we succeeded in stopping several terrorist groups that tried to infiltrate from the occupied area into the territory under the Croatian Republic's control.

[Zaja] Is Croatia still threatened by the danger of an escalation of Serbian terrorism?

[Reljic] In any case, the Ministry of Internal Affairs is taking that into account. At the moment when the Croatian authorities take control of the entire state territory, i.e., when the Croatian Republic's constitutional and legal order is also established in those areas that are now controlled by Serbian terrorists, among the latter there will indisputably be ones who will not reconcile themselves to the new situation and who will attempt through various terrorist actions to destabilize the Croatian state, because among them there are a large number of individuals who have bloodied their hands so much by now that they are aware that they can never be forgiven. It is precisely those criminals who will try to prolong the conflict by all possible means. The Croatian state, however, has enough strength to cope with them.

[Zaja] Does Croatia have trained antiterrorist units?

[Reljic] Within the MUP there are special units for the antiterrorist struggle, which I am at liberty to say are the most elite units in it. Those people are not only trained for that kind of activity, but from the very beginning of the war for the homeland they have borne the brunt of the struggle against Serbian terrorists.

[Zaja] Defense Minister Gojko Susak, however, in a recent interview in THE JERUSALEM POST that was carried by SLOBOBODNA DALMACIJA, while expressing fear of the infiltration of Serbian terrorists onto Croatian territory, stated that he would like Israel to train and arm Croatian commando units.

[Reljic] I would not like to comment on Mr. Susak's desires and views, but I maintain that the level of equipment and training of the MUP's special units for antiterrorist activity is such that it guarantees the citizens of Croatia protection against terrorist activities, as the members of those units have shown more than once in practice in the field.

Criminals Among the Refugees

[Zaja] In the MUP's report submitted to the Assembly at its last session, it was stated that in comparison with last year, crime in Croatia has increased by more than 40 percent. A large part of it has to do precisely with terrorism, but other forms of crime are also on the rise. How do you interpret that?

[Reljic] First of all, one should not forget the fact that Croatia is adjacent to a state in which war is still raging, and that it has simply been forced to accept people from Bosnia-Hercegovina who fled to it in order to save their lives. Among them there are also professional criminals, former prisoners from opened Bosnia-Hercegovina prisons, who simply did not want to stay in Bosnia-Hercegovina and fight against the Serbian aggression, and instead simply continued their old business. Some of them, furthermore, have established ties with similar types in Croatia, and that is indisputably one of the main key reasons for the increase in crime. Naturally, in addition to them there are also people who think that they can extract certain financial benefits from the sufferings of the Croatian and Muslim peoples. Those are various smugglers and war profiteers.

[Zaja] The director of Split's Dalma, Ante Ivankovic, recently stated that the mafia controls almost 50 percent of Croatia's commerce?

[Reljic] Although that question has more to do with the detective force's field of operation, I can say that that figure still seems exaggerated to me. It is indisputable that the situation that the Croatian Republic is in now favors war profiteering, smuggling, theft, and in short, economic crime. The people who are engaged in that business, however, will sooner or later face justice. Thanks to the current situation, perhaps they will enjoy the fruits of their dishonest business for a time, but someday, at any rate, they will have to answer certain questions that the entire Republic of Croatia will ask them. The scope for their criminal activity is already slowly narrowing.

[Zaja] In view of this crime wave that has swept Croatia, are you perhaps also afraid of the creation of an organized mafia modeled after the Italian Cosa Nostra or Camorra?

[Reljic] I do not believe in anything like that, but it is true that we are faced with organized groups of people who band together because of various criminal interests.

Terrorism and Tourism

[Zaja] Can the SZUP or the Croatian police as a whole guarantee guests safety from terrorism during the next tourist season?

[Reljic] If the safety of certain areas depends exclusively upon the activity of the Croatian police, i.e, if there are no military activities of any kind, I am free to say that there is no reason for concern. I am not saying that off the top of my head, but rather on the basis of arguments, and the key argument is Istria. Didn't Istria have a peaceful tourist season this very year, while military operations were still under way in Croatia? There is no reason why that will not be the case on the Croatian coast and in Dalmatia next year.

[Zaja] Also, when would you bring under control all the illegal weapons that citizens have?

[Reljic] The MUP is the proposer of the new law on weapons, which is precisely what should solve that problem. The law is very liberal with respect to keeping weapons, but it is restrictive with respect to carrying them. Our intention is primarily to have all the weapons that people possess registered and legalized, and to get an exact idea of their type and amount.

[Zaja] All of that is all right, but how will you force citizens to register their weapons?

[Reljic] I am profoundly convinced that the citizens of Croatia are aware that security and peace depend most of all upon themselves, and that it is in their interest to register weapons and legalize them.

[Zaja] Will they be able to legalize them freely?

[Reljic] Naturally—if they meet the conditions for keeping weapons, of course, because a 12-year-old or a mentally ill person cannot own a pistol or rifle now.

[Zaja] But there will surely be individuals who will not want to register their weapons?

[Reljic] We are also aware of that and naturally, when we find out about any such specific case, we will have to resort to repressive measures.

[Box, p 6] Old Personnel

[Zaja] How do you explain the fact that some people who worked in the former SBD "found work" in the SZUP?

[Reljic] In the first place, they did not find work, but instead simply continued to do their jobs. I can say with full responsibility, however, that all those who acted against Croatia left this service a long time ago. There is room in the SZUP for people who did not dirty their hands in their former work for the SDB, who are pro-Croatian, loyal citizens of the Republic of Croatia, and professional in their work.

[Zaja] Was it really possible to work for the former system's SDB and not dirty one's hands?

[Reljic] I think so. There were also people who only did their jobs professionally and never abused or mistreated anyone, or extorted any confessions.... Anyway, let me tell you this: The number of people who transferred from the old service to the new one is very small. Perhaps they constitute somewhere around 20 percent of the total number of people employed in the SZUP today. That may seem a lot if the total employed is 10,000 people, but if, for instance, 10 people are working in one of the service's organizational units, two of them are from the old service, then that is a negligible number. Furthermore, I would like to emphasize that we are still renewing ourselves in terms of personnel.

[Box, p 6] The Fall of Drnis

[Reljic] I am prepared, and I have said so several times, to meet with other people from Drnis at the table and finally openly discuss the reasons for the fall of Drnis. It was very incorrect of certain people to want to shift the blame for its fall to me. I personally cannot say who is responsible, but in any case a big mistake was made by whoever made the decision to evacuate and withdraw from Drnis. That person or those persons took away any possibility that it could protect and defend itself. Take Gospic, for example, which was in almost an identical situation to Drnis, but which was defended by a very small number of people, even though the Cetniks and the Yugoslav Army entered halfway into the city. I do not want to engage in polemics with anyone over this, but I took everything that happened very hard, especially since it is known what kind of fighters the people of Drnis are, and how much they have contributed to the defense of Croatia.

Istria Against New Territorial Administration

93BA0555A Belgrade BORBA in Serbo-Croatian 26 Jan 93 p 16

[Article by J.O.: "Pula in the Shadow of Pazin"]

[Text] What had been rejected as an impossible idea became reality the other day. Pazin, a little town of about 7,500, with no economic, political, or cultural importance, has become the seat of the Istrian Zupanija solely because it is the only firm point of support of the Croatocentric forces on this peninsula.

Although Pula (population about 65,000) is Istria's principal city in every respect, it all ended with a simple imposition of the decision of the HDZ [Croatian Democratic Union] making Pazin the capital. The Istrian Zupanija, which has a population of about 203,000, will be made up of 36 very small opstinas and seven cities (Pula, Porec, Rovinj, Pazin, Labin, Buzet, and Buje).

The new territorial division has given many what they did not even seek, and it has taken from some what they insisted on. Lanisce, which is territorially the largest, but the most underdeveloped area, with a population of about 600, is even on the variegated and utterly fragmented map of Istria as an opstina. What up to now has been the territory of Pula Opstina has been divided into the city and no fewer than six small opstinas.

It all becomes clearer why a village with the unusual name of Sveti Petar u Sumi has been given the special

status of an opstina when we realize that just the other day the Paulist monastery complex was returned to that city. The church, say the proponents themselves, along with a handful of Pazin intellectuals, did much of the promotion for this arrangement of the Istrian Peninsula. In that light we should mention that the Catholic Church, whose strongest seat is in Pazin, which also includes Semeniste, is figuring more and more frequently as the purchaser of the abandoned military garrisons.

Further enumeration would certainly take us into a virtual spectrum of unusual names of Istrian villages and towns (among them Hum, best known as the smallest town in the world, with only nine inhabitants). It is certain, however, that villages have become opstina seats, and their role will be to demand additional material resources. Many citizens do not even know that their villages have become opstina seats.

The imposition of the zupanija seat is only part (though the main part) of the overall policy of Croatia and the Croatian Democratic Union in this region. According to the maps drawn in the public debate, another two opstinas—Opatija and the islands Cres and Losinj—were to be components of the Istrian Peninsula, to which they belong historically. In a referendum held last May, Opatija voted to be part of the Istrian Zupanija. In conversations between representatives of the IDS [Istrian Democratic Conference] and Franjo Tudjman, the Croatian president said that he would allow (but he did not) a new referendum in both opstinas. In the Law on Zupanijas, proposed at 2359 hours, however, they "dropped" out of Istria.

There is no doubt about who wants Istria broken up, setting its coast against its underdeveloped interior. More and more of Paraga's soldiers are walking the streets of its settlements, concerned that the Croatian flag with the checkerboard still has not been run up everywhere. A handful of members of the Istrian HDZ has started out on a road which resembles totalitarianism, emphasizes Dino Debeljuh, one of the IDS leaders. On the Istrian coast, there are more and more builders from Zagreb, while the roads in Istria are still neglected. Not a word is being said about the earlier plans to bring a gas pipeline throughout Istria. The gas pipeline went to Dalmatia. Carrying on its back the burden of the refugees who have moved into all the empty military apartments, hotels, and abandoned military garrisons, Istria ceased to be rich long ago. Instead, it is being offered unrest and insecurity.

For a time, Istria will not be present in the Croatian Assembly. The leaders of the IDS, who abandoned the session of the Assembly in protest when they were not allowed to lodge a protest against the proposed laws, emphasize that they will return only after the election. We do not want at this point to play Don Quixote, said Ivan "Nino" Jakovcic, president of the IDS.

They are promising, however, that the inhabitants of Istria, whose opinions have not been respected, as were the views of Assembly deputies of all the Istrian opstinas, except Pazin, would provide a response in the upcoming election to the Zupanija Chamber of the Croatian Assembly and local self-government. The leaders of the Istrian Democratic Conference, who won a convincing victory in the summer election, say that Istria will know how to "reward" the HDZ, which has not been respecting either its opinion or its knowledge. It is expected, that is, that on 7 February the IDS will capture a majority of the vote—60-70 percent of the electorate.

Istria has gained the local autonomy so long sought and expected, but its map has been drawn by others. Istrians say with bitterness that this is yet another "rape" of Istria.

[Box, p 16]

Brioni Nevertheless Belongs to Pula

In the new territorial arrangement, Brioni belongs to Pula. For a time, it was said that the Croatian state and Franjo Tudjman personally would lay their hand on these islands. The fact that information about this national park, as an integral part of Pula Opstina, arrived only after the fact confirms that there was a dilemma about it.

As matters now stand, three of Tito's former villas—Brionka, Jadranka, and Bijela—on the famous island Vanga will be residential facilities to meet the needs of the Croatian Government. The rest of Vanga will remain a memorial center.

The remainder of the Brioni Archipelago, which along with Vanga numbers 14 islands and coastal strip, as Sime Didulin, president of the Regional Chamber of Commerce, said, will develop high-level tourism. It is envisaged that 60-percent Croatian and 40-percent foreign capital will be invested to build new hotels.

Ozal Said Seeking Balkan Military Corridor

AU1702182193 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 17 Feb 93

[Biserka Povse-Tasic commentary]

[Text] The current presence of the Turkish statesman [President Turgut Ozal] in the southern Balkans most certainly serves various purposes.

Already in Sofia, Ozal's partners in talks, including Ahmed Dogan, leader of the ethnic Turks in Bulgaria, have established that the former Ottoman Empire is striving to prevent the war spreading from Bosnia-Hercegovina to Sandzak, Kosovo, and Macedonia. However, obviously in a slightly different manner from Bulgaria. Bulgarian President Zhelev gives the impression of a peacemaker who is opposed to any neighboring countries meddling in the powder keg that is the former Yugoslavia. Ozal, on the other hand, supposedly said indirectly that in the event that the war spreads to this part of the Balkans, such meddling by neighboring countries could definitely not be ruled out.

Let us just recall the recent speculations by the Bulgarian and Turkish media that former Bulgarian Premier Dimitrov fell because he denied Turkey possible passage of Turkish military formations through Bulgarian territory, and we get an additional explanation. In the face of the increasingly complicated conflict in Bosnia-Hercegovina, the Turkish president is, therefore, obviously trading for the possibility of obtaining a land corridor in the event of possible intervention in Bosnia-Hercegovina.

The reasons for his visit to Macedonia could be projected almost symmetrically. The Turkish population in Macedonia, gathered around the Democratic Party of Turks, emphasizes it is a factor of peace in the country and enjoys all the necessary human rights. However, some cases indicate that this is not quite so. In (?Divarska Zupa) the children in the local primary school have not attended classes for more than six months. Their parents—Macedonians and Muslims—demand their education in the Turkish language, but the Macedonian authorities would not allow this.

Turkey is seen in Macedonia as a somewhat distant but nevertheless a very good neighbor, which during the oil crisis donated approximately 20,000 tonnes of oil to the republic. The Turkish leadership hitherto has not voiced any complaints regarding the position of the Turkish minority in Macedonia.

As regards the economic cooperation, Turkey has been promising its support to Macedonia for quite some time in joining the economic alliance of the Black Sea countries. Some 40 businessmen who are accompanying the Turkish leader on the present tour are proof enough that the economic factor is also in the game—in Bulgaria and Macedonia today and in Albania tomorrow.

Trade-Economic Agreement Signed With Russia

LD1802180493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1443 GMT 18 Feb 93

[Text] Ljubljana, 18 Feb (TANJUG)—Representatives of the Russian and Slovene Governments signed an agreement on trade and economic cooperation in Ljubljana today.

In order to improve cooperation, it has been agreed to set up mixed commissions for trade-economic and scientific-technical cooperation.

The Russian delegation is to stay in Slovenia until Tuesday [23 February] and is to have meetings with members of the Slovene Government and businessmen.

Defense Ministry Reports Airspace Violations

AU1802212693 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 18 Feb 93

[Text] There were 12 violations of Slovene airspace between 1 January and 14 February.

The Slovene Ministry of Defense reported that our airspace was most frequently violated by Croatian aircraft and helicopters—on seven occasions—as well as by an Italian Cessna 551 aircraft, a UN Protection Force aircraft, a pilot training aircraft, and on two occasions by an unknown aircraft of which Ljubljana had no details.

The violations most frequently took place in the direction Adlesici-Vas-Severin.

Federal

Commentary Assesses U.S. Proposals on Bosnia

AU1802135493 Belgrade POLITIKA in Serbo-Croatian 13 Feb 93 p 2

[Commentary by Miroslav Lazanski: "Package From Washington"]

[Text] Is it good for the Serbs in the former Bosnia-Hercegovina, Serbia, and the FRY that the United States has involved itself with the diplomacy of unraveling the Bosnian and Yugoslav tragedy? The answer is probably positive, as long as the Turks are shocked with the American attitude and recent suggestions from Washington. For the time being, there is no better indicator than Ankara. However, be it as it may, the raging course of events in former Yugoslavia finally resulted in a "concentrated" American "package" of measures that certainly deserves a more detailed analysis in the days to come. Despite strong pressure from the American media and some "hawks" in the Congress, despite the attitude of Islamic countries and their interests, Washington has made a decision that does not lead the American people into war. As early as tomorrow the White House will discuss that decision in public, in the traditional manner of good-government policy, just as Adlai Stevenson used to say: "To speak as reasonably as the American people would."

The hearts and minds of that people have begun a bit hesitantly and discreetly to look upon the war in former Bosnia-Hercegovina with far fewer stereotypes about "good guys and bad guys," as if the conviction that Bosnia-Hercegovina is not the space in which the American army should try out its power has started to prevail, and with the feeling that this war is not a matter of black and white. The influential American newspapers THE NEW YORK TIMES and THE WASHINGTON POST, which used to be the first opponents of American involvement in Vietnam, will gradually have to reconcile themselves to the fact that the 1990's are not the years of communist penetration and aggression any more, and without such an atmosphere it is very hard to rigidly impose the American pattern on peoples as far away from America as 10,000 kilometers. True, it might work somewhere, but it is not the rule.

Why did the Clinton administration choose a peaceful approach to the war in Bosnia-Hercegovina? The White House undoubtedly considered several options in its analysis, which can generally be reduced to three possibilities: first, the use of force to impose the no-fly zone in Bosnia-Hercegovina, which could cause a wasps' nest to explode and an offensive strategy to be implemented; second, to send land forces to attack Serbian positions; and, third, a total expansion of war through attacks on Serbian positions both in Bosnia-Hercegovina and the FRY. This third possibility has been rejected in its most radical version because it would cause an automatic reaction by Moscow.

Of course, the White House considered many alternative solutions and suggestions of the State Department and the Pentagon: a program of a progressive military pressure, a program of extended US diplomatic efforts in Europe and Russia, the definition of goals of the United States in Bosnia-Hercegovina and former Yugoslavia, negotiations as the way out, and many others, with the Pentagon generals constantly repeating that they do not want to engage the American armed forces without a clear goal, and the desire for military victory. General Powell, chief of the Joint Chiefs of Staff, was particularly resolved in such an attitude, saying that "one cannot expect an American soldier to be engaged in war without expecting him to fight until final victory, but to be present there only." So, American generals did not accept their army's "role of a policeman," an assignment that so tragically and negatively affected the former Yugoslav People's Army in the 1991-92 war. In various discussions, the Pentagon held the view that the former Bosnia-Hercegovina is not a real test of American economic, political, and military strength, and that the American forces cannot recklessly engage themselves in an operation of suspected legitimacy.

It is certain that in the process of the White House deciding to adopt a peaceful approach to solving the Bosnian drama, an important role was played the readiness of Bosnian Serbs to fight to the last man, and also the military readiness of the Yugoslav army to defend its country. Assessments of the American army and political leadership probably included the possible extent of losses of the air forces, probably also of the land forces and the navy, and the conclusions were certainly not comforting for the "hawks."

The "package" of proposals and measures from Washington is probably not the perfect solution for the war in Bosnia-Hercegovina, and its final settlement, but it is surely the best the White House can offer at this time, regarding its internal circumstances and international circumstances. Six items of the proposal give the Clinton administration the chance to evade all future risks of a "Vietnam syndrome," in which the previous administration tried to involve the United States, while for the people in former Yugoslavia, however, the "package" means "relief" from fear regarding new fatalities. At the same time, it shows that writing history, particularly when referring to current events, and to the former Yugoslavia, is a very ungrateful job....

Commentary Considers New York Agreement

AU1702171393 Novi Sad DNEVNIK in Serbo-Croatian 11 Feb 93 p 4

[Commentary by Miroslav Lazanski: "Karadzic in New York"]

[Text] Radovan Karadzic's [Serbian Republic of Bosnia-Hercegovina president] visit to New York and his public appearances have, in a certain way, challenged the West and the United States. By agreeing to almost everything

requested by the cochairmen of the Geneva conference, Karadzic put a difficult dilemma before the new administration in Washington: who should they now trust in the former Bosnia-Hercegovina? Is the Vance-Owen plan a good solution for all concerned? How can this possible agreement be verified in the field? How do we explain to The American people and media that this is the optimal solution before the wrong and probably irreparable step of a military adventure is undertaken?

Many people feel that the American reluctance to accept the Vance-Owen plan is a display of bad manners, to say the least. Apart from solving domestic economic problems, primarily the recession, the new president is expected to contribute significantly to the restoration of peace in the former Yugoslavia. In the United States, the American media and public opinion are expressing dissatisfaction with what the Vance-Owen plan has to offer. Since the world of the government and world of public opinion are two isolated circles, and since only a small segment of the government circle is affected by public opinion, Congress, the press and other media, even the international understanding of the situation as elements which should be influenced as a whole, are devoted to the government's "world".

With a series of public appearances in New York, Karadzic disrupted somewhat all the discussions about the Serbs, Serbia, and Yugoslavia which have been going on for months in the United States. Moreover, they affected articles and editorials which channeled American public opinion in the desired direction with a special technique known as freedom of the press, a technique that uses stereotypical ways of informing people. This media generalization was partly responsible and is still the reason for certain American convoluted attitudes when it comes to Serbia and Yugoslavia.

Therefore, the answer to the question of why all this is happening to us is neither quick nor simple. Does a part of this dilemma lie in the relations between Europe and the United States, who blame each other for the slow resolution of the question of war and peace in the former Yugoslavia? The reasons for this vicious circle are a lot deeper, and every account of the Western efforts to achieve lasting peace on the territory of the former Yugoslavia is really irrelevant and represents outdated, intellectual gymnastics. Those who could stop this war are simply not doing so and they are "justifying themselves" with this or that reason. If Washington is now debating the measures necessary to stop the war in Bosnia-Hercegovina, instead of discussing pertinent goals which would ensure a lasting cessation of hostilities, then its apparent separation with Europe will be ever greater.

The war in the former Yugoslavia actually started with the 1974 Constitution. From that moment, the country was constantly in a state of semicrisis. The former Bosnia-Hercegovina paid the highest price for this and it is still paying it. That is why the sight of Yugo-negotiators in the UN seat in New York, their talks and contacts represent a moment filled with hope for the people and peoples in the former Yugoslavia. It is certain, however, that there is disparity in what worries the political leaders of Bosnia-Hercegovina and their respective peoples. In the consciousness of the people in trenches there probably exists a fear that an imposed solution in New York might produce a full-blown nightmare rather than a vision of peace....

The political leaders and statesmen from the former Bosnia-Hercegovina will probably be forced to sign and salute an agreement about maps and peace, regardless of whether they agree with it or not. They will probably salute it out of a sense of duty, but from a military standpoint they will probably curse the day this "paper" was forced on them.

The limits imposed on heavy weaponry and requests that the Serbs be placed under the control of the United Nations have the same role as natural selection in Darwin's theory. They stimulate the use of weapons that are not limited and are not under control.

The American policy designed to "compress the Bosnian Serbs, Serbia and Yugoslavia into one place" might cause an "outbreak" in another. These are moves and measures that do not contribute to stopping the war, nor do they lessen the risk of it spreading. The complaints of certain Western allies, directed these days at Washington, state these arguments. Maybe they do resemble scarecrows, but they support useful skepticism regarding the military intervention in the former Bosnia-Hercegovina.

There is no acceptable alternative to a good agreement between all the peoples in Bosnia-Hercegovina. Of course, an agreement that would satisfy everybody is not a universal cure. Only by removing the essential causes of the conflicts can any kind of reasonable peace be expected....

Foreign Ministry Rejects Human Rights Criticism

LD1802173493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1400 GMT 18 Feb 93

[Text] Belgrade, 18 Feb (TANJUG)—Following the adoption of the resolution by the UN Commission for Human Rights, the Federal Ministry of Foreign Affairs has issued the following statement:

A session of the the UN Commission for Human Rights is being held at which one of the items on the agenda is violation of human rights in the former SFRY, particularly in Bosnia-Hercegovina. The proposed text of the resolution represents a continuation of the biased and nonobjective campaign that has been waged in this organization against the Federal Republic of Yugoslavia and the Serbian people as a whole. The contents of the proposed text, with its political connotations, unfounded accusations, and possible implications, can have extremely negative political and other consequences for

the Geneva conference peace process, which is currently being dealt with in the UN Security Council.

The Federal Republic of Yugoslavia has for a long time been systematically subjected to unsubstantiated accusations, and the entire Serbian people to an unprecedented slander campaign. The sincere efforts that the Federal Republic of Yugoslavia has been investing within the conference on Yugoslavia in finding an urgent, peaceful, and just resolution of the crisis in Bosnia-Hercegovina, which is in the best interests of everybody including the Serbian people of Bosnia-Hercegovina, have not been recognized. Instead of acknowledging a series of concrete steps taken by the government of the Federal Republic of Yugoslavia in this regard, the Federal Republic of Yugoslavia has been presented as the only party responsible for the situation in these territories. Observations are being cited about the position of minorities in the Federal Republic of Yugoslavia that are not only far from true, but they are deliberately distorting the truth with the aim of stirring political instability in Yugoslavia.

According to its constitutional system, Yugoslavia is a country of all citizens living in its territory, a country with about 30 percent of the population that are members of ethnic groups (Hungarians, Albanians, Muslims). Many countries that sponsored the resolution of the UN Commission of Human Rights, including former Yugoslav republics, cannot boast of having such constitutional arrangements.

A systematic, hysterical, and shameful campaign by the world media aimed at creating preconditions for anti-Yugoslav actions on an international scale, including the current activity of the UN Human Rights Commission, is without precedent.

The FRY maintains that this approach by the UN Human Rights Commission does not further human rights, which is the commission's main task, and furthermore it undermines fundamental humane aspects of the CSCE principles and the UN Charter. The use of the commission for political purposes does not just degrade the commission but also its role in preserving and securing human rights throughout the world. At the same time, the adoption of this resolution and all political games surrounding it present a classical case of the violation of basic human rights of the Serbian people to existence and nondiscrimination. The accusation of an entire nation is a dangerous precedent for the future work and direction of the commission.

Assembly Postpones Electing New Government

LD1802173093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1401 GMT 18 Feb 93

[Text] Belgrade, 18 Feb (TANJUG)—A Federal Assembly session sheduled to elect the new Federal Government, will most likely be held in the beginning of March instead of 24 and 25 February, as was previously announced.

Prime Minister-designate Radoje Kontic is most likely to present his program and cabinet during an Assembly session on 2 and 3 March. He will most likely use extra time for additional consultations on the government composition. Kontic will meet representatives of the independent unions of Yugoslavia tomorrow. He is due to meet Serbian and Montenegrin Prime Ministers Nikola Sainovic and Milo Djukanovic on 22 February.

Cosic Postpones Visit to Romania

LD1802131893 Belgrade TANJUG in English 1212 GMT 18 Feb 93

[Text] Belgrade, February 18 (TANJUG)—The visit of Yugoslav President Dobrica Cosic to Romania, scheduled for February 20, is postponed for a few days because the president has a cold, the Cabinet of the president of the Federal Republic of Yugoslavia announced today.

Industrial Production Continues To Drop

LD1802135693 Belgrade TANJUG in English 1127 GMT 18 Feb 93

[Text] Belgrade, Feb 18 (TANJUG)—Industrial production in Yugoslavia dropped in January by 36.6 percent as against January of 1992, continuing the trend of months past, the Federal Statistical Office said.

The latest survey by the Belgrade-based market research institute, conducted in January, showed that the firms have exhausted or seriously depleted their stocks of raw materials.

Export and import have been at a virtual stand-still since the U.N. Security Council clamped economic and political sanctions on Yugoslavia on May 30 for its alleged involvement in the war in Bosnia-Hercegovina.

In January, no rise in production was recorded in any branch of the industry.

The biggest drop was in the nonmetals working industries (72.6 percent), followed by the textiles, leather and rubber industries (63.6 percent) and the metal-working industries (52 percent).

Defense Official Denies Coercive Mobilization

AU1602204993 Belgrade BORBA in Serbo-Croatian 11 Feb 93 p 30

[Unattributed report on an interview with Tomislav Stevanovic, head of the Defense Ministry department of the northern Backa district, by Radio Subotica in Subotica; date not given: "Police Took Reservists In, But Without Coercion"]

[Text] Subotica—In view of what the Democratic Community of Vojvodina Hungarians [DZVM] stated at a news conference and in a letter to the Federal Ministry for Human and Minority Rights, reporting coercive mobilization carried out in the last 10 days in the north

of Backa, Tomislav Stevanovic, head of the Defense Ministry Department of the northern Backa district, was a guest of the Radio Subotica news program.

"As a patriot, I cannot accept the DZVM allegations. I can responsibly claim that not a single reservist was coerced into mobilization. All of them received summonses as many as three times before they were actually called up. There was a mobilization, but it was not coercive. The reservists were basically taken into the barracks, so that they could be equipped, and make a statement as to whether they wanted to serve in the reserve," Stevanovic said.

Asked by a journalist why the reservists were taken in by the civil police, whether this was usually authorized in such cases, and at which point the military police took charge, Stevanovic explained:

"The civil police were in charge of this case because the reservists still did not have their uniforms on. The moment they entered the barracks and put on their uniforms, they were under the jurisdiction of the military police. Until then, the civil police were in charge."

Regarding the fact that the reservists included in the mobilization have the legal right to state if they agree to participate, the next question was: What are the consequences of a possible refusal?

"It is true that they have such a right. However, according to a bill that is being enacted at the moment (it is expected to have been passed by the end of this month), the penalty for refusing service will be two months' imprisonment in a military prison, to be followed by the service anyway. Which means that any draft-dodging is out of the question."

Asked if it is true that the reservists were mistreated in the barracks, Stevanovic answered:

"They were taken to the barracks, and since it was evening, they could not be immediately organized into their units, so they had to sleep somewhere. They slept in the reception center. Some DZVM representatives suddenly came, tricked the sentry at the gate, and talked to him. I do not know what they talked about, but next morning their proteges complained that they had been beaten up. We took them for a medical examination immediately, and it was proved that everything was all right, and that no one had mistreated them."

Commenting on the attitude of the DZVM that they do not want to be involved in the disentanglement of the Yugoslav conflict, which was restated in the letter to the Federal Ministry for Human and Minority Rights, Stevanovic denied the DZVM assertions, and said that there were many ethnic Hungarians who were regularly summoned, with whom there were no problems. "These are extremely honest and loyal citizens," Stevanovic said.

"We do not make any distinctions between Serbs, Hungarians, or Croats. We make no selection, and send summonses to everybody. Of course, not all Serbs and Montenegrins appear, but any idea of ethnic cleansing is out of the question. Since the majority of the population in Subotica is ethnic Hungarian, we cannot call up 20 Hungarians and 50 Serbs, because such a proportion does not exist. Each reservist is called up without distinction, and such conduct exists not only in Subotica, but also on the entire territory of the FRY, Serbia and Vojvodina," Stevanovic concluded. This was how he answered the question as to whether the assertions of the DZVM that "bloodless ethnic cleansing has been conducted" are true.

Army Daily Criticizes Foreign Role in Crisis

AU1602092593 Belgrade VOJSKA in Serbo-Croatian 4 Feb 93 pp 14,15

[Article by Miroljub Milosevic: "Reason Against 'Checkmate in Five Moves'"]

[Text] Which of the events that pave the way to resolving the Yugoslav crisis will be decisive, and which personality—after van den Broek [former Dutch foreign minister and chairman of the EC Council of Ministers], Kosters, [as published] Badinter [chairman of the EC Arbitration Commission], Lord Carrington [former London Conference on Yugoslavia chairman], Vance, and Lord Owen [Geneva Conference on Yugoslavia cochairmen] and others from Yugoslavia's immediate or extended environment—will be recognized as having found a salutary formula for appeasing global and local antagonistic interests in our space, and bringing to their senses the unreasonable Balkan peoples, only time will show.

What can certainly be said now is that the "takeover" of the Yugoslav conflict by the United Nations finally confirms that numerous European organizations, because of their partialities and many wrong moves, were not able to handle the problem in a satisfactory way, and they reluctantly, yet indirectly confessed that they should have accepted such an option when some people from the former Yugoslav state leadership first suggested it on the eve of the civil war in Yugoslavia.

What Is Behind the "Wide Scope of Options"

While the Croatian leadership, despite harsh condemnation by the Security Council, despite the "bewilderment," and "utter consternation" of the West, is ruthlessly proceeding, regardless of its failures on the battlefield, with the offensive on the territory of the Republic of Serbian Krajina, which is supposed to be under UNPROFOR [UN Protection Force] protection, the State Department of the new American President Bill Clinton is hastily reconsidering further policy toward the former Yugoslavia, being one of the hot spots (alongside Somalia, Iraq, and others), thereby lingering on the expression "the wide scope of options." One should probably not expect the rejuvenated leadership of the United States to make radical turns regarding the Yugoslav crisis overnight, particularly in the so-called period

of the first 100 days. However, its bent toward pragmatism, and the desire to demonstrate its resoluteness at the very beginning, which is quite desirable for some militant circles in the United States and in a large part of the international community, might result in suppressing moderate and level-headed options of U.S. military circles and some other Western countries, and accepting the option of direct military involvement in former Yugoslavia. Of course, such involvement would be carried out as a way of protecting from Serbian aggression the newly established and internationally recognized states (Bosnia-Hercegovina and Croatia), and still unrecognized Macedonia, and also as a preventive action regarding the protection of the national and human rights of the ethnic Albanians in Kosovo, and the Muslims in Sandzak, which has been eagerly desired by vassal authorities, and vain national leaders in these regions.

A Wink to Tudjman and Alija To Undermine Negotiations

However, while the West is still precisely analyzing and weighing the reasons for and against a military intervention (this is a so-called democratic public, that does not care about hundreds and thousands of dead people, barbaric orgies of the Ustasha [Croatian]-Muslim units, catastrophic devastation, including the destruction of unique samples of human culture, but is quite irritated at the mention of the possibility of a single soldier of its own being killed or wounded), even the first impressions from Geneva that the talks might bring the warring factions in Bosnia-Hercegovina to their senses, and also the signals from Moscow that the attitude of the Russian Federation regarding the solution of the Yugoslav crisis is quite "different" from the American view, were enough for the real protagonists in this war to wink at their marionettes—the Tudjman [Croatian president] and Izetbegovic [Bosnian president] regimes—to directly undermine the possibility of the talks' having such an outcome by conducting forceful offensives on the entire front.

It is more than clear that the continuous attempts to destabilize the FRY are caused by the already stated common, and distinctive motives. By gradual involvement in the former Bosnia-Hercegovina crisis, the late U.S. administration wanted to preserve its position in this region (therefore it constantly insisted on adopting the Security Council resolution on the implementation by force of the "flight ban area"), and at the same time they wanted to control the aspirations of the Izetbegovic regime and not let him establish an Islamic-fundamentalist state in Europe. In balancing both motives they had to watch out for one more thing—to avoid trouble with the very strong Islamic lobby because of oil.

German and Turkish Ambitions

As for Germany, it makes great efforts to suppress and belittle the role of the United Nations (and the United States) in settling international conflicts in Europe, in order to create a new association of European countries by means of the EC, the CSCE and other institutions, in which it would take the central position, even at the price of the United Nations completely falling apart. That is the reason why Germany has had an interest in stirring up the fighting in former Yugoslavia—after relatively rapidly and easily acquiring access to the Adriatic see (the Slovene and the Croatian coasts), it wants to extend its influence all over the territory up to the ancient border, drawn by Germany and the Vatican a long time ago, on the River Drina.

The arms transfer from the member countries of NATO (the United States, Germany, the Netherlands), approved by the CFE [Conventional Forces in Europe] agreement, which is better known as the "cascading of weapons," [preceding three words in English] threatens to additionally destabilize southeastern Europe. Regarding the fact that Turkey and Greece have the right to enlarge their conventional armed forces by about 15 to 25 percent, it is quite predictable that one part of the arms they are entitled to by the CFE agreement, will, through various secret channels, end up in the hands of Balkan warring factions. Therefore, one should not wonder how Turkey has become overwhelmed by the Turkish shouts - "Turkey from the Great Wall of China to the Adriatic." The Turkish military alliance with Albania, as well as their inclinations (is that the only thing?) toward the internationally unrecognized Macedonia, simply generate the need to establish some military "counteralliances."

It would not be a great surprise if some former Soviet republics, driven by the need for vitally important foreign currencies, were to implement a similar transfer, which is already indicated by the presence of Soviet and the Hungarian arms throughout the world's battlefields.

Dangerous Games Over Yugoslavia

At the recent EC conference in Edinburgh, characterized by numerous compromises reached between the national and common interests of rich and poor member countries, the Yugoslav crisis was at the top of the agenda, and the military option was discussed as never before.

While the participants of the conference showed extreme tolerance and consideration of the national interests, say, of Denmark or Switzerland, when they discussed the FRY, particularly Serbian interests, there was no such tolerance or consideration. And not only did they disregard Serbian interests, they loudly and arrogantly announced the final "lesson" for the disobedient, in a similar manner to the Islamic conference in Jedda.

The rigor of the resolution from the Security Council, demanding, apart from the strict implementation of the imposed sanctions, to urgently observe some new measures, including the implementation of force, seems as if it left no space for further dilemmas. Thereby the military option was posed only for the Serbian party to the conflict, regardless of the conduct of other parties.

Gradually Announced Plans and Intentions of the "Great"

And a possible course and outcome of the aforementioned and other international meetings dealing with the issue of the Yugoslav crisis, as well as ever more direct concepts of the implementation of force against the Serbs in Bosnia-Hercegovina and the FRY, are confirmed by the contents of many recent newspaper articles, in which some quite unsentimental plans and intentions of "the great" have gradually been announced, of course unless the Clinton administration backs up the advocates of a peaceful solution. In a war-mongering article issued by THE NEW YORK TIMES, George Kenny, international adviser of the Carnegie Peace Foundation, and Michael J. Dougan, retired general of the American Air Force and former chief of the Joint Chiefs of Staff, examined the topic "How To Restrain Serbia."

Pointing out that the crisis in Bosnia-Hercegovina can be resolved differently, as opposed to the dilemmas of George Bush whether the United States should leave it to others, or themselves send many thousands of soldiers, the authors heartily offer the version of the "three-step plan," based on the comparative advantages of the Americans.

In the first phase a coalition of the United States, the Security Council, and NATO should be formed, with the necessary involvement of Great Britain, France, and Italy as allies, in order to have at its disposal all their military bases, so that they can also to a limited extent cooperate in the air, at sea, and on land. The coalition would provide the weapons and training for "Bosnian forces" (Izetbegovic's so-called Army of Bosnia-Hercegovina), that should be the carrier of unconventional operations. For such an operation, Russia should also give its approval (and if it refuses at first, the doors for its subsequent cooperation and involvement "should still be left open"). The second phase drafts the coordination with the UN operations, and humanitarian convoys for Bosnia-Hercegovina. The Bosnian forces should establish and control the "safety zones," thereby preventing civilians from fleeing the country, and—what is for the authors more important—stopping the flood of refugees leaving for West Europe. The last phase of the operation suggests: first, the routing of the Serbian forces in Bosnia-Hercegovina; second, the engagement of the concentrated force against Serbia.

Hawks in Peacemakers' Apparel

In the case that Serbia "decides to test the determination of the coalition," the U.S. Air Force, as the "peacemaking" hawks advise, would resolutely bomb the military facilities in Serbia and army units, and if they disobey the demand to remain in their garrisons, the raid would include the bombing of power stations, oil reserves, communication network, media centers,....

With the victory in such an operation, the United States would establish a leading role for themselves in the Balkans, assuming a relatively acceptable price, particularly if one regards the readiness of Saudi Arabia to pay one part of the entire expenses.

Also, the commentator of THE NEW YORK TIMES Anhtony Lewis puts forward a similar draft for settling the Balkan crisis, devised as a "checkmate in five moves": 1. the introduction of penalties for breaking the flight ban resolution; 2. establishing the absolute control of the US and NATO air forces over the Bosnian territory; 3. putting forward an ultimatum for the Serbs in Bosnia-Hercegovina to stop artillery attacks on Sarajevo and other towns, and if they do not accept it the US and NATO forces will proceed with bomb raids upon Serbian sites, destroying all their artillery and other equipment; 4. in the case that Serbs still proceed with land operations, an ultimatum will be submitted demanding that they terminate all activities, and if they do not, the shelling of the significant facilities—military, political, economic, communications, infrastructure—will be conducted; 5. lifting of the arms embargo for the former Bosnia-Hercegovina.

War-Mongering Calls of Timeworn Politicians

The military option, as a method of establishing peace on the former Yugoslav territory, was systematically examined and discussed on all levels during the December CSCE meeting in Stockholm. The joint American-Russian statement that followed the meeting, saying that "Russia and the United States await with great interest the results of the Serbian elections," and hope that the Serbian people "will make the right choice," which would lead to the reduction and lifting of the sanctions, has to be remembered as a unique example of interfering into the internal affairs of one sovereign state (as you know, the sanctions have not been lifted), and one would hope that such examples belong to the past.

Recently, a war-mongering statement of Reagan and a series of timeworn American politicians, with the inevitable signature of former British prime minister Margaret Thatcher, has been published, calling for the implementation of a "more rigorous course toward Serbs."

Fortunately, there are also different opinions. Douglas Hurd, chairman of the recent meeting of the foreign ministers of the EC in Brussels, underlined that "a military intervention is not a short cut to peace, or toward justice." The leader of the democrats in the American Senate George Mitchell warns that "the United States should not send troops to Yugoslavia, because U.S. goals can be accomplished without land forces, too" and that is the view that Clinton also held during the presidential campaign and after the elections, also referring to "some other effective measures for ending the bloodshed in Bosnia-Hercegovina."

Some analysts emphasize that in establishing the new world order, some coalition force operations can be expected, primarily air attacks on selected objectives in Bosnia-Hercegovina, followed by an offer to Belgrade to

accept a "reasonable" solution (again, the word Yugoslavia is deliberately omitted). The next step would be strong pressure on Serbia and Montenegro to separate, and, eventually there would follow the dismemberment of Serbian territory, recognizing a special status and autonomy for Kosovo and Sandzak. In these designs, they count on the full support of "sound forces" inside the FRY, and on official authorization of all these activities by the Security Council.

However, one would like to believe that the time in which the principle of "blowing hot and cold," as well as the favorite slogan of the West - "Hold their noses, pinch their ears" - is past.

Credibel Bank President Interviewed

93BA0543D Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 11 Jan 93 pp 26-27

[Interview with Branko Dragas, president of Credibel Bank, by Vladimir Grlickov; place and date not given: "Sailing Toward the Possible"]

[Text] After two and a half years spent in the Karic Bank, where they created a relatively strong and modern private institution with a reputation, especially in East Europe, in the middle of last year a group of managers formed the Credibel Bank. In establishing the bank with about 87 percent of their own capital, along with the capital of their own firms, the managers took a step toward "merging" two banking functions into one: the managers at the same time became the owners of the bank.

Branko Dragas, president of Credibel Bank, a man whose education and professional competence are beyond doubt, places the chances for the bank's development in the broader context of possible changes in the banking and economic system and the general privatization as the most essential prerequisite for creating a prosperous new atmosphere. Moreover, he did not confine himself to privatization, although it was the principal topic of the interview, but attempted to point up the need for changes in all parts of the system and policy. The private sector, of course, takes the central place among them.

[Grlickov] What were your motives in establishing a bank at a time that banks are in particularly plentiful supply?

[Dragas] We established Credibel Bank, which today, after additional capitalization, has founding capital of 3 billion dinars. The owners of 87 percent of the capital are the managers and our private firms, while 12.5 percent is held by Bel Pagget, i.e., its owner, who is a Canadian citizen. The motive behind its establishment was that we wanted to create yet another strong private bank that would differ from the numerous similar private institutions. We felt that there was room on the market for such a bank in which the managers would at the same time be its owners.

[Grlickov] It is a topical issue to check out the professional competence of the people who run banks in order to avoid the danger of their being in the hands of laymen. Is it not going too far when the owners have to take into account the quality of the management?

[Dragas] I support efforts toward the Federal Republic of Yugoslavia being the one that will require that people who engage in banking have to confirm their knowledge of the technology of the banking business, including practical verification; they must also possess certain moral qualities as individuals.

[Grlickov] You mentioned the size of the bank's capital, but you did not mention the amounts of its total potential.

[Dragas] The bank has about 50 million German marks [DM] of working capital. We have prepared the way to receive about DM30 million of foreign capital which cannot be accomplished because of the foreign sanctions. It is important that we are including as an element in the business our own firms which we have already formed or are now forming (firms in the trade sector, mortgage firms, and so on). As managers, we already have our own firms in Vienna, Cyprus, Sofia, Budapest, London, Geneva, and Paris. To be sure, the foreign exchange capital of Credibel Bank is not large, because as managers we did not have a great deal of money, but we expect to have it by the middle of this year.

[Grlickov] It is your view that a private bank takes on its real configuration only when it engages in real transactions and production programs.

[Dragas] Only investments in production can help save the economy from ruin. To be sure, the problem is that it is difficult to operate under the conditions of the sanctions, but the private operators with whom we are working have been rather successful in getting past that barrier.

[Grlickov] Does that mean that the sanctions are not hampering the business operation of Credibel Bank either?

[Dragas] No, not at all. There are individual cases of "resourcefulness," but the economy and the system as a whole cannot survive under the conditions of the sanctions. The system cannot adapt to the sanctions. That is the psychology of a loser. The sanctions have to be lifted, because that is a precondition for creating a winning mentality, not in the sense of winning wars, but in the sense of success in the areas of finance, computerization, and the like.

[Grlickov] You have been an advocate of drawing up an economic program immediately so as to enter the period after the sanctions as ready as possible.

[Dragas] I am one of the authors of a program which envisages that we will arrive at the level of $10,000 after five years of more productive work and liberalization.

Removal of the sanctions is a condition for that, but so is rapid privatization. I am not thinking of the privatization which is taking place today in the form of a siphoning of social capital into private pockets and speculative deals. Privatization must be legalized so as to take place in an institutional manner through the Belgrade Exchange. I think that all "kindred" transactions must be concentrated on the Exchange, starting with foreign exchange, then commodities, and then securities transactions. The founders of the Exchange must mostly be private operators. Oversight would be provided, and speculations and enrichment under the table would be prevented.

[Grlickov] Does the position on rapid privatization also signify your commitment to one of the possible models being offered?

[Dragas] I am not a proponent of one model of privatization. Several models of privatization can be operative at the same time. Ever since Poland undertook several forms of privatization, it has been achieving economic growth. Much the same is true of Hungary and Czechoslovakia.

Whether we undertake privatization with a system of vouchers, as in Czechoslovakia or Russia, or we will undertake a system of selling firms even to foreign investors—it all depends on the fundamental commitment concerning the forms of transformation of ownership. It is clear in this connection that the government must decide in advance which vital branches of the economy it wishes to own (the electric power industry, the railroads, the metallurgical complex). In any case, two forms of ownership, government and private, as well as mixed, must be spelled out. This means that the social type of ownership should disappear completely. The government, of course, ought to put up government property for sale so as to see whether and which part of it can be privatized.

[Grlickov] What do you say about the possibility of privatization through the banks, using receivables and payables in the taking over of real ownership?

[Dragas] I favor all possible forms of privatization, not excluding the one of which you speak. Socialized firms are today big debtors to the banks. I propose that banks immediately become the owners of those firms. If, for example, three banks have claims of DM100 million which cannot be collected, we would immediately get the first titleholder of the property through their assumption of ownership.

At the same time, we should pursue a process of privatizing the banks themselves: If the banks in Serbia and Montenegro owe savings depositors about $4 billion, then there is the basis for the savings depositors to become the owners of the banks. The savings ought to be turned into shares owned by the savings depositors, who will in turn present those securities and sell them on the Belgrade Exchange. That would open up a process whereby those who have a real interest in owning the bank would obtain them.

This would essentially unravel the problem of relations between debtors and creditors and also the question of authority. Debtor enterprises would pass into the hands of the banks, and the latter in turn would pass into the hands of individuals.

[Grlickov] Today, there are successful socially owned enterprises where unsuccessful business operation cannot be taken as a reason for changes of owner. Should they be left to operate with their old form of ownership?

[Dragas] Such firms, which are doing business successfully and have no debts to the banks, ought to be sold on the market, and they should be offered to all those who want to buy them. In that connection, the workers in the firm would have the option to buy, but not at a great discount. This presupposes that the book value is not the basis for ascertaining the price. The firms ought to be sold at market value. At the same time, the government would monitor this, and a foreign auditing firm would be hired to make a realistic assessment of how much a firm is worth when it has been undervalued in preliminary proceedings. The government would then set the minimum price at which the firm can be sold. If no one wants to buy the firm under those conditions, then the government would assume the role of the purchaser and would wait until the appropriate market price, approximately corresponding to the assessed value, is obtained. That avoids the danger of a firm objectively worth DM100,000 being sold for a song, say, for DM1,000. In my opinion, that is the only right way to privatize successful socialized firms.

[Grlickov] You say that the workers would have the option to buy successful firms, but not at a discount. What if it turns out that the workers do not have the capital for that?

[Dragas] If they lack the capital, the firm will be purchased by people from outside, and immediately a chain of shareholders will be created and will be included in trade on the Belgrade Exchange. There will be those who will immediately want to get rid of those securities through the Belgrade Exchange.

[Grlickov] There have been lengthy discussions over who should get the capital from the purchase of socialized firms.

[Dragas] An important question is where the capital should be paid? In my opinion, half ought to go to social welfare and pension funds. They ought to be replenished so that there is no extensive unrest when privatization takes place. Payments would be covered to the unemployed up to the minimum civilized standard. That is in line with my basic commitment to changes in the system and "creation" of a capitalist society with a human face.

In any case, the government would have a direct interest in the process of privatization, because the capital would go to replenish social welfare and pension funds, which are today depleted. That would be done so as to prevent anarchy.

[Grlickov] Where would the other half of the capital obtained from the sale of firms go?

[Dragas] The other half might go to a new bank for development of small and medium-size firms. The bank would receive those resources on a permanent basis and would provide long-term financing to the private sector at minimal interest rates. That would be a government bank whose director would be appointed by the parliament, which in turn would oversee its business operation. Half of the members of the board of directors would be from the government, and the other half from the economy. Speculations of all kinds would be prevented. The bank would certainly operate on the basis of its own interest, not on the principles of a foundation in that the capital would be distributed practically gratis. This would be a modern bank furnished the most up-to-date equipment, and borrowers would have to provide strong security. They would take mortgages or furnish a foreign exchange guarantee on the basis of currency. Incidentally, private operators are already doing this today in furnishing investments through the bank.

Those would be incentives for the expansion of small- and medium-size enterprises and for transition to an economic system in which in five years 80 percent of the economy would "consist" of firms of that type.

If we were to begin immediately with that kind of privatization, in just a year we would provide jobs for a million workers. There would be a change from the present adverse situation in which 200,000 people productively employed are supporting nine million people in Serbia and Montenegro.

Jugoskandik, Podgorica Bank Dispute

93BA0557C Belgrade BORBA in Serbo-Croatian 26 Jan 93 p 32

[Article by C. Mudresa: "Gasoline as a Guarantee of Conservation"]

[Text] Podgorica—"Three inspectors of the NBJ [National Bank of Yugoslavia], Aca Popov, Pero Drakic, and Radun Vukovic, have reinspected the operation of the Private Business Bank in Podgorica and found that it has been operating lawfully and there were no irregularities in its operation," said Milorad "Micko" Vukotic, the bank's director. "So, except for this bank, there is no other office of Jugoskandik in the country that has records on foreign exchange transactions with individuals," Vukotic noted, adding: "There has been no selling of foreign exchange in our bank, as leading figures of Jugoskandik have said, and there has been no merciless spending on apartments, cars, promotion, and so on."

The director of the Private Business Bank in Podgorica says that he has records in good order concerning the 5,200 foreign exchange depositors to whom Jugoskandik is to pay 3.6 million marks in interest on foreign exchange savings. The principal of those foreign exchange savings, however, Vukotic says, has been taken from the bank by the leading figures of Jugoskandik, "at a time when that suited them."

Last weekend, Jugoskandik's tank trucks did not take away a drop of the disputed gasoline stored in the port of Bar and at Lipici in Kotor Bay, although that possibility had been announced by Jezdimir Vasiljevic, the owner of Jugoskandik. Vukotic said that this could not occur because a court had issued an injunction against movement of the gasoline in order to have a guarantee that the foreign exchange savings of this bank would be protected if necessary.

Finally, the announced conversation with representatives of the bank, which had been announced by Jugoskandik, did not take place either, and the many unknowns in this dispute will be clearer in the court hearing, which is scheduled for 5 February.

New System for Petroleum Imports Prepared

93BA0557A Belgrade BORBA in Serbo-Croatian 26 Jan 93 p 12

[Article by J. Butnikovic: "Drivers—The Last 'Hole' in the Petroleum Balance"]

[Text] In the future, anyone who wants to buy and sell petroleum and petroleum products will have to obtain the fuel on economic principles. But he will be able to sell the gasoline and heavy fuel oil at prices which will not be below the actual purchase costs.

That is the essence of the new system which is being hurriedly worked out in the federal Ministry for the Economy following the decision of the National Bank of Yugoslavia [NBJ] to cease approving foreign exchange for the importation of petroleum. The NBJ was compelled to close the foreign exchange faucet because of the dangerous "red line" ($1.3 billion) reached by Yugoslavia's foreign exchange reserves.

"The old system was out of joint with elementary principles adopted everywhere. First of all, foreign exchange used to finance the purchase of fuel was sold to importers by the NBJ at the official rate, which barely represents one-sixth of the commercial rate, and which in addition changes from day to day. That means that consumption is being subsidized and the standard of living is being formed at a level which is above the country's current financial capabilities. The reserves, which are shrinking every day, are melting away," says Dr. Ljubomir Madzar, federal minister for the economy, and he emphasized that it is not a reasonable policy to increase current consumption beyond the limit defined by production capacities, and so as to diminish the country's wealth.

"The artificially depressed prices have subsidized those strata of society which are considerably above the average in their income and wealth. And just as in all systems of multiple prices which are not economically founded, this system offers a great opportunity for corruption, for use other than for the stated purpose, and other forms of socially undesirable behavior. What is more, the artificially depressed price creates conflicts. Demand is considerably greater than the supply. There has to be an administrative determination as to which of the numerous claimants will be satisfied in this privileged way," Madzar said, explaining that under present conditions of the fuel shortage Serbia and Montenegro have been rebelling because of the distribution of the available quantities.

Dr. Madzar, who advocates putting the entire system on economic foundations, has proposed that the petroleum industry purchase foreign exchange from the NBJ at market prices, which would be determined by auction. In this way, both importers and retailers would be prevented from selling a portion of the necessary fuels at depressed prices, which would automatically improve the optimality of use of this domestic resource, which is scarce anyway. The minister, Dr. Madzar, believes that prices formed on the market would automatically eliminate conflicts and other deviations which now exist on the petroleum product market.

"On behalf of rigorous saving, the decision was made not to lend any more foreign exchange at all for the purchase of energy. We are now working hard to formulate the basic components and work out the practical details of a new system for fuel purchases. The petroleum industry will have to fend for itself. Serbia will have to import whatever fuel it consumes beyond the production of domestic oil fields, and Montenegro will have to import the entire amount of the petroleum products it needs. According to statistical indicators for 1992, Serbia consumed 3,670 million tons of petroleum products, and Montenegro 317,000 tons. But it must be borne in mind that because of the current situation these are not quantities that correspond to the normal needs of these two republics," Dr. Madzar said. "Our personal position is that so long as the sanctions stay in place, drivers will be the last category for which fuel will be provided. Nevertheless, the new system on the free market will solve the distribution problem not only for gasoline, but for other fuels as well."

The federal Ministry for the Economy, according to Dr. Madzar, is continuing to grant the petroleum industry quotas for the importation of petroleum products. Even though the petroleum industry will no longer get foreign exchange from the NBJ on the basis of those permits, this paperwork is necessary for exemption of imports from customs duties. And in the context of the blockade, when the FRY [Federal Republic of Yugoslavia] can count on importing petroleum products only for humanitarian purposes, these permits (if, of course, imports are approved at all) will be used for easier recordkeeping and monitoring.

High Gasoline Prices Prompt Closing of Pumps

93BA0557B Belgrade BORBA in Serbo-Croatian 26 Jan 93 p 12

[Article: "Gasoline Prices Have Shut Down Stations"]

[Text] Following the most recent rise in the prices of petroleum products, all stations in Serbia have shut down, whether because they do not have the fuel or because the prices they are allowed no longer suit them. Government stations are not selling gasoline because, they say, they do not have it, and private stations are waiting to be given permission to set prices freely. A liter of gasoline, they say, for instance, has to cost 1.5 German marks [DM]. Nevertheless, gasoline can be found at some semilegal stations at a price of about 7,000 dinars per liter.

"We have halted the sale of gasoline because the price prescribed for us is no longer enough. Nor do we want to sell it at a higher price than is allowed, so that then we would have problems and the government would take away our profit. We are waiting for permission finally to be allowed to set gasoline and petroleum product prices freely, and we are hoping for that decision, and then we will again resume sales," says Mile Baric of Dafiment Trejd.

It is the same thing at Jugoskandik, which also has fuel, but will not sell it at these prices. They are asking DM1.5 for a liter of high-test. Smugglers and illegal stations are meanwhile doing a good business, because there are many people who do not ask about the price, only whether there is fuel. Because of the shortage of diesel fuel, rail transportation has been interrupted, as have local transportation lines. Trains are not running between Stalac and Cacak, nor are diesel locomotives traveling from Kragujevac, Sombor, Kosovo Polje, or Nis. All the buses, we were told yesterday at Lasta, are running regularly. The day before yesterday there were problems with fuel, but it arrived yesterday, and there have been no interruptions in service.

Food Supply Deliveries Inadequate

93BA0543C Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 11 Jan 93 p 16

[Article by P. Ursic: "Obtaining Food by Alchemy"]

[Text] The very first nightly news this year reported that the FRY [Federal Republic of Yugoslavia] has the most farmland per capita (0.61 hectare) in Europe. The state of Serbia and Montenegro, it was reported on the same occasion, is at the very bottom of the ladder of European countries, however, when it comes to irrigation of plowland.

This is one of the main reasons why last year's drought exacted a tribute of an estimated 20-30 percent of the yields of the principal field crops, so that our "comparative advantage" relative to the rest of the continent has gone unrealized again this year. Thus, from the area

planted to corn, one-tenth greater than in 1991, 40 percent less grain was harvested, which means 700,000 tons less than the planned quantity of 5.3 million tons, states the last report for last year from the Federal Secretariat for Agriculture.

The area planted to sugar beets was 13 percent less than in 1991, and by mid-December 2.64 million tons of this root crop had been harvested—44 percent less than in the preceding year. The average yield per hectare of 27 tons is 40 percent less than expected, and that makes it the most disastrous in the last quarter of a century. Instead of the planned 4 million tons, the sugar refineries, according to recent data, have therefore processed only 2.565 million tons of the "sweet root," at a conversion rate of 14.6 percent.

The drought reduced by one-tenth the average yield of sunflowers, which was the amount of last year's increase in the area planted over the previous year. At the same time, half as much plowland was planted to soybeans, but because the yield was 60 percent less than in 1991, only 75,000 tons of the grain were produced, which is 65 percent of the amount obtained in the preceding year. No more than 30 percent, then, of domestic animal husbandry's need for ground soybean cake can be met.

In spite of the drastically reduced yields achieved in the fall harvest, the balances of the principal agricultural products and foodstuffs show that there will be more than enough of them to satisfy domestic consumption this year. The output of 4.6 million tons, together with inventories and reserves as of 1 October 1992, exceeds by 600,000 tons total annual corn consumption of 5 million tons. The same calculation (see the table) results in surpluses of 30,000 tons for sugar and 40,000 tons for vegetable oil.

	In Tons		
	Corn Balance	Sugar Balance	Oil Balance
1. Production	4,600,000	240,000	170,000
2. Inventories	1,000,000	140,000	20,000
3. Total available	5,600,000	380,000	190,000
4. Annual consumption	5,000,000	350,000	150,000
5. Inventories carried over	600,000	30,000	40,000

Source: Federal Secretariat for Agriculture.

	Planted (000 hectares)		Production (000 tons)		Yield (tons/hectare)	
	91	92	91	92	91	92
Wheat	932	676	4,109	2,117	4.41	3.13
Corn	1,360	1,502	7,818	4,601	5.76	3.10
Sugar beets	106	91	4,719	2,640	44.90	30.00
Sunflowers	174	192	376	360	2.17	1.90
Soybeans	44	68	116	75	2.65	1.10
Tobacco	10	10	15	10	1.50	0.90

Source: Federal Secretariat for Agriculture.

This calculation does not mean, unfortunately, that in the Agriculture Association of the Yugoslav Chamber of Commerce (the observation from their last meeting in the last year that "because Yugoslavia is becoming a marked producer of market surpluses of agricultural products, measures should be coordinated and more funds furnished to stimulate exports) they "targeted" the priority task of domestic agricultural/economic policy in the days since the blockade. Not so much because the lifting of the international sanctions does not seem certain as because of the unpleasant truth that the production balances resemble very little the commodity balances; that is, domestic agriculture can hardly boast of production of market surpluses. On the contrary, the declining trend of the "market proportion" of the domestic farmer's harvest continued again last year. Up through October, the total value of sales and purchases of agricultural products dropped one-fourth in real terms from the first nine months of 1991. By interpolation of available quantities of principal agricultural products and foodstuffs listed in the balances by the proportion grown for the market, we find, then, that it is not just "market surpluses" that are disappearing, but there is even a shortage against the envisaged annual consumption.

It is difficult to say for now whether the intensified control of distribution of the funds from primary note issue to beneficiaries in agriculture will be sufficient so that the frenetic printing of money prevents the disastrous boycott of purchasing. At the same time, it is quite certain that the euphoric statement by the head of the Novi Sad Bureau for Grain and Bread Technology to the effect that "Yugoslav science already has an appropriate

recipe and the necessary technology for the production of the necessary quantities of bread even if there should not be enough wheat" has been refuted from several quarters.

Meanwhile, so far no one has cast doubt on the observation of the former FRY prime minister, who failed to become president of its larger federal unit, to the effect that corn and wheat cannot be printed.

Former Factory Director on Government Pressure

93BA0557E Belgrade BORBA in Serbo-Croatian 26 Jan 93 p 12

[Interview with Djordje Romoda, director of Istra, by Tanja Jakobi and Misa Brkic; place and date not given: "'The Government's Pressure Did Me In Mentally'"]

[Text] "Practical procedures for 'shooting down' a director: organize 'wholesome' internal forces with the help of an external factor, bring in various inspectors and exert psychological pressure (on him personally and on members of his family). Possible outcome: madness, resignation, or...."

Djordje Romoda, general director of the Istra Fittings Factory, a joint stock company in Kula, yesterday submitted his irrevocable resignation to his board of directors. In his own hand, he added to the lengthy reasons for his resignation the "practical advice" we have already quoted. Romoda will remain in Kula for some time longer to tie up loose ends and will then resume his managerial career in Germany. Back last summer, a German partner of long standing offered him the post of manager of a similar factory he had purchased in Poland.

What is it that drives a business executive who has been successful for 10 years to erase the work he has done in the past and leave a factory which has gained an enviable reputation on an international scale?

"The government in Serbia has begun to 'cut down' directors who are successful and whom it finds unsuitable," Romoda told us yesterday in a telephone conversation. "The late Josip Broz would applaud them for their methods. Earlier, the procedure was clear, they called you into the committee and told you to submit your resignation. But this today is horrible. They did me in mentally. First, they found 'wholesome forces' within the factory, then they began to file charges based on false information, then they began to send various inspectorates to pay visits to us, and they brought police into the factory. And, 'well'-conceived rumors were already circulating in the city about how Istra is really not doing very well. Which is not to mention the telephone calls to my family and chicanery of that kind. I decided to leave, and there is no theory with which anyone could persuade me to stay."

In his written resignation prepared for the board of directors, Djordje Romoda emphasized "that it is extremely difficult for me to write this letter, because the name Romoda (his grandfather and father) has belonged to a worker in this factory for more than 70 years." But then come the four crucial reasons for his resignation. Director Romoda says that on 1 March he would have been the head of Istra for exactly 10 years, and he thinks that is enough for an average man to exhaust his psychophysical and creative capabilities. And he goes on to say:

"Because of the UN sanctions unjustly introduced toward our country, which unfortunately are still in effect, I personally do not see any method of operation or survival under these conditions. All of my attempts and activities undertaken toward the factory's new orientation to find new markets and master new production programs have shown or are showing inadequate results." Romoda also mentions in this context the results of a vote in the shareholders' assembly on 21 January of this year. His business policy during the blockade received the votes of 50.5 percent of the shareholders, and 49.5 percent of the stockholders did not accept that policy.

The next reason for his resignation that Director Romoda gave was the contesting of his decision to limit the sale of internal shares. "I am certain that on the day when the blockade is lifted that trade must be restricted, because there is a great danger that a majority of the workers will be forced to sell their shares very cheap because of the drop in the standard of living. That would result in the concentration of decisionmaking rights in the hands of a very small number of people whose knowledge might not be sufficient for any serious factory," the director of Istra observed in his resignation.

In his examination of the position of the factory and its prospects, the now former director considers it his greatest success that Istra had become part of the unified world market and that its name is quite often uttered with respect. "The only thing of which I am completely sure is that ISTRA CANNOT SURVIVE WITHOUT THE EUROPEAN AND WORLD MARKET" (emphasis Dj. Romoda).

Since the blockade was put in place, Director Romoda's intention was to preserve a maximum of the material goods in the factory through intensified economy, careful disposition of its own money, and ensuring the survival of the 1,200 workers. Good money results were achieved at minimum cost and with inevitable mandatory leave. "That was a deceptive result of what was the only possible way of bare survival," Romoda says. "The good financial condition of a factory which has not been operating for seven months is not such a logical thing, but it fits completely into the series of illogicalities of an economic system. That is why all of this is once again just an appearance, something that is here today and perhaps tomorrow, but leads straight to ruin."

All of this is illustrated with figures which show that Istra's receivables (including the value of raw materials

in inventory) are ninefold greater than its debts. And then Djordje Romoda says in his letter to the board of directors:

"For the first time in my life, at least as far as the factory is concerned, I no longer have any ideas about what to do now and how to go about it. I think it is nonsensical to start up production in a situation when we have something to sell on the domestic market until the spring of next year. My assessment is that 150 to 200 workers, occasionally even 300, will be enough for that domestic volume of sales. We have enough goods to keep us going until then. After the blockade is removed, the return to the world market will be ahead of us. But the price of that return will be just as high as the damage caused by being away from it. We will be starting practically from scratch, slowly and gradually, and we will be expected to meet tighter deadlines and higher-quality standards and lower prices than we got earlier. We cannot avoid a period of blackmail and merciless treatment. But I am less afraid of that than I am of what awaits us if the sanctions are not removed."

Serbia

Refugees Feel Effects of UN Sanctions

LD1902141093 Belgrade TANJUG in English 1337 GMT 19 Feb 93

["Pool" item]

[Text] Belgrade, February 19 (TANJUG)—Ninety-six refugees from the former Yugoslav Republics of Croatia and Bosnia-Hercegovina have found shelter in a kindergarten some five kilometres from Smederevska Palanka in the central part of the Yugoslav Republic of Serbia.

Despite efforts by local authorities to secure the best possible living conditions for them, refugees are affected by the United Nations sanctions imposed on the Federal Republic of Yugoslavia.

Everything is in short supply in the refugee camp—from soap and detergents to warm clothes and footwear. The refugees are even complaining of poor and unsufficient portions of food. Those who need more have to buy food for their own money if they have any.

"My husband and I have one pair of shoes and only one of us can go out at a time. We have asked for help more than once but nobody has sent us anything," said a refugee from Zenica, central Bosnia, who wished to stay anonymous.

The refugee camp, which consists of two buildings which were once a hostel and sports centre, was recently reconstructed and prepared to accept refugees.

Twenty-six children who attend school in Smederevska Palanka are also in the camp. On Thursday [18 February], the bus line used by these children to get to school stopped operating.

Mirko Kresojevic, 70, a refugee from Vodice near the Croatian port of Split has no relatives in the camp and wants to leave. He shows a large wound on the head from a fall. The director of the refugee camp, however, says that there have been no medicaments for days.

Even more tragic is the sight of an old school in Veliko Orasje, central Serbia, where another group of refugees are accomodated at present.

The damp concrete building of the school of economy, which was out of use for years, has several small, unheated rooms and a large hall where 30 people sleep at present.

The bathroom, drawing room and a long, dark hall have no heating whatsoever and the refugees spend their days gathered around three stoves in the largest room. Four children are playing around them.

There are currently over 500,000 registered refugees in the Yugoslav Republic of Serbia but the real number is believed to include another 100,000 people who have not been registered. Most of them, as many as 95 percent, enjoy the hospitality of Serbian families and this unprecedented situation has shocked officials of international humanitarian organizations.

Kraljevo Trade Union on Poverty, Sanctions

93BA0557F Belgrade BORBA in Serbo-Croatian 26 Jan 93 p 16

[Article by M. Milisic: "The Government Is Making Poverty Worse"]

[Text] Kraljevo—The president of the Council of the Trade Union Federation of Kraljevo Opstina is issuing a warning about the increasingly difficult position of those employed in the economy here, calling upon the competent republic authorities to protect the standard of living of the most indigent working class strata. Because of the blockade and the lack of work, firms in this part of the republic are also getting discouraged more and more, and nearly 7,000 employed people are not in factory shops. Day after day there are more and more people whose social security is threatened and who can barely provide the most basic foodstuffs with their income.

How is it possible to survive at the lowest price of labor, which last December was 152,000 dinars, and will the workers on mandatory leave survive, because here they are receiving about 100,000 dinars a month? they wonder in the opstina trade union council.

"The wave of higher prices which we have been experiencing is mainly the result of the cosmetic change of the price policy of the Serbian government aimed at greater liberalization and also an effort to change certain price relations in order to stimulate industrial production and supply of the market. In essence, the wave of higher prices of products and services has deeper causes—the immense structural disproportion in the economy, the

defectiveness of the market. the dramatic decline of production, the immense pressure of high interest rates because of inappropriate credit and monetary policy. Because of all that, the moves of the government will compound still more the financial position of all employees and place the unemployed and workers on mandatory leave in a hopeless situation," says Desimir Mionic, secretary of the opstina trade union in Kraljevo.

Yet another appeal is being sent from the city on the Ibar to the government to adopt a social welfare program adapted to the conditions of life, with real sources of financing, so as to distribute the burden of the economic blockade uniformly to all persons employed.

"The government is inconsistent, it is not abiding by its agreement," says Miroslav Bakovic, president of the Kraljevo trade union. "What is the point of our agreeing, say, on the lowest price of labor, when two days later the government approves a price increase of thousands of foodstuffs and thus takes the value from both the money and the agreements?"

Macedonia

Assembly Supports Gligorov Recognition Policy

LD1802184393 Belgrade TANJUG Domestic Service in Serbo-Croatian 1530 GMT 18 Feb 93

[Excerpt] Skopje, 18 Feb (TANJUG)—The Macedonian Assembly has today ended its six-day marathon discussion on the activities of the Macedonian leadership regarding Macedonia's admission to the United Nations.

By a majority of votes by the coalition parties, the assembly adopted conclusions put forward by Slave Naumovski, a deputy of the Reformist Forces-Liberal Party, which in fact lend support to Macedonian President Kiro Gligorov and Macedonian Foreign Minister Denko Maleski. A memorandum sent by President Gligorov to the UN Security Council was also supported.

Naumovski's conclusions call on competent bodies to continue with activities for the admission of this republic into the United Nations and to take an active approach in the clarification process and negotiations within the UN Security Council in connection with all proposals for the resolution of remaining problems for the admission of Macedonia to the United Nations as soon as possible. [passage omitted]

Bank Governor Predicts Success for Local Economy

AU1702104093 Podgorica MONITOR in Serbo-Croatian 5 Feb 93 p 23

[Article by Dragan Nikolic: "Tame Inflation"]

[Text] A few nights ago, Borko Stanojevski, Governor of the Macedonian National Bank, appeared on Skopje Television and said that in April, when the process for monetary independence was completed, Macedonia had a monthly inflation rate of 80 percent, but by August it had decreased to 6.6 percent. When inflation destroys the system of values, nothing can be done to initiate production and stop impoverishment. Stanojevski announced that Macedonia's monetary policy foresees an average monthly inflation of 4 percent for this year and that the fall in production will not be more than 6 percent. He added that he and the bank's board of directors believe that this will be realized.

Real Money Since April

"Should there be any aberrations, the monetary policy will be accordingly more restrictive or expansive. If the rate of inflation is higher, then the National Bank will conduct a more restrictive policy and if it is lower then it will conduct a more expansive policy," says Stanojevski.

The present denar, which has token status, will be replaced by the "real denar" in April and it will be "internally convertible." With it, it will be possible to buy foreign, convertible currency in Macedonian banks.

Macedonian Prime Minister Branko Crvenkovski said that none of the "ominous forecast" that predicted a collapse of the economy and starvation of the people came true, despite the fact that the imposed blockades from the north and the south took their toll on the economy and the citizens. Owing to the UN sanctions based on Resolution 577, the Macedonian economy suffered a loss of $1.3 billion, while the Greek embargo, imposed because Macedonia would not change its name, added another billion in losses. We never had any real shortage of basic foodstuffs and we are gradually alleviating the situation caused by lack of pharmaceuticals and oil—claims Macedonia's Prime Minister, Crvenkovski.

Currently, at all Macedonian gas stations gasoline can be bought without coupons and without any restrictions at a price of 1200 denars per liter (0.8 German Marks). Macedonia's fresh produce markets are overflowing with foodstuffs and other products from Serbia because there is a greater interest in selling the goods in Macedonia for denars than at home for dinars. This pressure of goods coming in from the north could not be stopped by swing-gates erected on the border between Macedonia and Serbia, nor by police confiscations.

Imminent Recognition

Economic interest from the south as well, is gradually dissolving the blockade. Out of fear that Turkey might become Macedonia's oil supplier, the Greek government has ordered its companies to deliver from three to eight thousand tonnes of oil daily to Macedonia. The Greek authorities have agreed to a "verbal agreement" (so that there is no written trace) concerning transit permits for Greek and Macedonian trucks. This agreement is being realized, although the Greek Foreign Ministry denied that a meeting between Greek and Macedonian experts had taken place or that there had been any kind of agreement on transit.

It is evident that Macedonia can be a prosperous country in other, more normal circumstances, when it has managed to survive despite the blockade and the pressures. That is the reason that its neighbors have given up trying to break it with economic measures and it is now only a matter of days until it is accepted into the international community, either under a "temporary" or a "legitimate name." Ljupco Trpevski, a minister in the Macedonian Government, expects that in the course of this year, Macedonia will be accepted into the leading international financial institutions. As Yugoslavia's successor, in six months time it will be accepted into the IMF and the World Bank. Moreover, a few days ago, all member countries of the European Bank for Reconstruction and Development, including Greece, agreed that Macedonia would be accepted into this bank. It has been estimated that Macedonia's acceptance into these institutions is of greater significance than its international recognition.

It is possible that Macedonia will be internationally recognized under a "temporary" name, until the Greek-Macedonian conflict regarding the name is settled through international arbitration.

In Macedonia itself, due to "pseudo political pluralism," both "rightist and leftist radicalism" is gaining momentum and both are estimated to be a threat to democracy. Moreover, instead of the predicted rise in social tension, it is the intranational and intrareligious tensions that are rising. Slogans proclaiming certain ethnic groups to be threatened are appearing. FRY President Dobrica Cosic even went so far as to announce in Athens that the Serbs in Macedonia "do not have basic national or human rights" and that in Macedonia, "certain traditions exist that cannot be classified neither as democratic, humanist, nor civilizational." Ethnic conflicts are not to be expected unless one of the radical movements prevails. However, there is little chance of that happening because among other things, Macedonia is a multicultural community, so that no party, neither leftist nor rightist, can win enough votes to "legalize extremism."

Kosovo

Rugova Calls on UN, U.S. To Deploy Troops

AU1802144793 Tirana ATA in English 0929 GMT 18 Feb 93

[Text] Tirana, February 18 (ATA)—Dr. Ibrahim Rugova, president of the Republic of Kosovo, called on the United Nations and the United States to take concrete steps to prevent the conflict and proposed as the first stage in this regard to put Kosovo under UN protection.

Speaking at the Kennedy International Relations Institute in Washington, the Kosovo president said that there is a legal base to station peace keeping forces in Kosovo just like in other parts of former Yugoslavia. Also he added that the United States may influence at the UN to discuss the Kosovo issue there just as was the case with Bosnia or Croatia. Speaking on the statement by the U.S. Secretary of State Warren Christopher in regard to Kosovo, Rugova said that it is significant as it is a concrete warning for the Serbs. We consider it as a protection. In regard to Vance-Owen plan, Rugova said it does not work in Kosovo because even if it is applied, Kosovo will be again a hearth of a possible conflict. Rugova said that the long term solution of Kosovo issue would be its independence and neutrality.

Dealing with the difficult economic situation facing the Kosovo population, Rugova proposed to open a corridor for foreign humanitarian aid. As the first possible action he mentioned the opening of the Pristina Airport. A quiet ethnic cleansing is carried out in Kosovo, said President Rugova. The arms search undertaking presently takes place in Kosovo. It is intended to gather Albanians' weapons although they have no arms. According to Rugova, it is intended to evict as many Albanians as possible from Kosovo. In regard to the Albanians' issue in Macedonia, Dr. Rugova said that they account for 40 percent of the population in Macedonia and must be considered as state forming elements. All the Albanians of former Yugoslavia are well organized and have a common platform for the solution of their problem, said Kosovo President Rugova.

Details of Rugova Peace Plan Reported

AU1802150193 Tirana ATA in English 1310 GMT 18 Feb 93

[Text] Tirana, February 18 (ATA)—President of the Republic of Kosovo Dr. Ibrahim Rugova drafted the ten point peace plan he will propose to the U.S. interlocutors and mass media. Rugova's plan demands the immediate deployment of peace troops in Kosovo, the increase of the number of the CSCE mission members, the expansion on the no-fly zone in Kosovo, the disarmament of the Serb premilitary units, and the establishment of a heavy armament under international supervision, the halting of colonialization by Serbia, ethnic cleansing. It also demanded the reopening of Pristina Airport for humanitarian flights. In this plan he also demands that the parliament of Kosovo, democratically elected, be given the right to freely convene, that Kosovo be excluded from the international sanctions against Serbia and be provided with the humanitarian aid worth 5 U.S. million dollars which the U.S. Congress approved last October.

Muslim Leaders Detained by Serbian Police

AU1802155193 Paris AFP in English 1546 GMT 18 Feb 93

[Text] Pristina, Yugoslavia, Feb 18 (AFP)—Serbian police Thursday [18 February] took in for questioning five leaders of the Moslem Democratic Action Party (PAD) for Kosovo, a human rights group and party officials said.

The five included the chairman and the secretary of the PAD, Numan Balic and Nuradin Ganic, and three members of the management committee, Nazmija Cirikovic, Rasim Sijaric and Redzep Balic, the Committee for the Defence of Human Rights in Kosovo told AFP.

Rasim Ljajic, the party's secretary in Sandzak, a predominantly Moslem region in southern Serbia and northern Macedonia, told AFP that the five men were questioned at their homes at 5:00 a.m. (0400 GMT) and taken to police headquarters in Pec, in the southwest of Kosovo.

Ljajic said the police had searched the homes of the arrested men and had seized a number of party documents.

Kosovo, a former autonomous region in southwest Serbia, is 90 percent Albanian-populated but also has a small community of Slavs who have become Moslems.

Vojvodina

Private Firms Thrive in Subotica

93BA0557G Belgrade BORBA in Serbo-Croatian 26 Jan 93 p 27

[Article by J.S.: "Padlock on the Factory, Key to Business Enterprise"]

[Text] According to November figures of the Association of Independent Craftsmen, Hostlers, and Transportation Carriers, there are 2,280 private firms, service shops, agencies, and other types of private enterprise in Subotica. The expansion of private enterprise in this city is evident from the datum that during last year, including the "unprocessed" December figures, 437 new private firms were registered, while 286, half as many, were shut down. Things were most dynamic in hostelry and the trade sector. Thus, last year 95 trade establishments were shut down, but at the same time 115 new ones were established, often at the same location, just with a different owner.

Much the same is true in the trade sector. In Subotica, there are 48 agencies of various kinds, 18 of which started up last year. There are 91 (legal) taxi operators registered, all of 40 percent more than at the beginning of the year, and only two have given up this business. the number of video clubs, by contrast with those activities, has declined by one-third. According to Gojko Arambasic, the association's president, one of the reasons for expansion of private enterprise in Subotica lies in the uncertain position of those employed in many so-called socialized enterprises. "Not knowing what awaits them after mandatory leave, salary cuts, and the shutdown of production, people are leaving their jobs and are trying to gain their livelihood by their own efforts, relying on their own abilities and knowledge," in Aramba.'s opinion. He also says that Subotica, in spite of this expansion, has a shortage of services which are essential in this region. For instance, there are no wagonmakers, coopers, or ropemakers, nor those who work metal, weave grass, or make saddles, while the adjustment of scales or, say, quiltmaking are each done by one enthusiast.